STATE OF MINNESOTA

NINETY-THIRD SESSION — 2024

ONE HUNDRED SEVENTEENTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 17, 2024

The House of Representatives convened at 11:00 a.m. and was called to order by Melissa Hortman, Speaker of the House.

Prayer was offered by Pastor Charlie McDonald, Chaska Moravian Church, Chaska, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Daniels, Hudella, Kresha, O'Driscoll and West were excused.

Agbaje was excused until 1:35 p.m. Newton was excused until 5:30 p.m. Schomacker was excused until 6:35 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 15, 2024

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

Dear Speaker Hortman:

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

H. F. No. 3800, relating to cooperatives; providing for the organization and operation of housing cooperatives for seniors, low and moderate income people, limited equity cooperatives and leasing cooperatives for designated members.

H. F. No. 3204, relating to family law; modifying parenting time and spousal maintenance provisions; modifying and updating provisions governing antenuptial and postnuptial agreements; establishing rights and responsibilities relating to assisted reproduction; directing the revisor of statutes to update terms used in statute.

H. F. No. 5040, relating to retirement; accelerating the effective date from July 1, 2025, to July 1, 2024, for the change in the normal retirement age for the teachers retirement association from 66 to 65; reducing the employee contribution rates for two years by 0.25 percent for St. Paul Teachers Retirement Fund Association; extending the suspension of earnings limitation for retired teachers who return to teaching; authorizing eligible employees of Minnesota State Colleges and Universities who are members of the higher education individual retirement account plan to elect coverage by the Teachers Retirement Association and purchase past service credit; implementing the recommendations of the State Auditor's volunteer firefighter working group; adding a defined contribution plan and making other changes to the statewide volunteer firefighter plan; modifying requirements for electing to participate in the public employees defined contribution plan; increasing the multiplier in the benefit formula for prospective service and increasing employee and employer contribution rates for the local government correctional service retirement plan; eliminating the workers' compensation offset for the Public Employees Retirement Association general and correctional plans; clarifying eligibility for firefighters in the public employees police and fire plan; making changes of an administrative nature for plans administered by the Minnesota State Retirement System; authorizing employees on a H-1B, H-1B1, or E3 visa to purchase service credit for a prior period of employment when excluded from the general state employees retirement plan; codifying the right to return to employment and continue receiving an annuity from the State Patrol plan; adding additional positions to the list of positions eligible for the correctional state employees retirement plan coverage and permitting the purchase of past service credit; establishing a work group on correctional state employees plan eligibility; modifying the Minnesota Secure Choice retirement program by permitting participation by home and community-based services employees; modifying requirements for Minnesota Secure Choice retirement program board of directors; allowing employer matching contributions on an employee's qualified student loan payments under Secure 2.0 and modifying investment rates of return and fee disclosure requirements and other provisions for supplemental deferred compensation plans; resolving a conflict in the statute setting the plans' established date for full funding and establishing an amortization work

group; restructuring statutes applicable to tax-qualified pension and retirement plans that impose requirements under the Internal Revenue Code; modifying the authority of pension fund executive directors to correct operational and other errors and requiring an annual report; changing the expiration date for state aids by requiring three years at 100 percent funded rather than one year before the state aid expires; making other administrative and conforming changes; appropriating money to the IRAP to TRA transfer account, the Teachers Retirement Association, and St. Paul Teachers Retirement Association.

H. F. No. 3488, relating to labor; providing compensation for minors appearing in Internet content creation.

H. F. No. 3436, 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 requirements, and greater Minnesota transit; modifying criminal penalties; modifying prior appropriations; making technical changes; requiring reports.

H. F. No. 4109, relating to human rights; providing for certain human rights law; providing for civil penalties and other remedies.

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:

S. F. No.	*H. F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 2024*	*Date Filed 2024*
	3800	96	9:33 a.m. May 15	May 15
	3204	101	9:35 a.m. May 15	May 15
	5040	102	9:36 a.m. May 15	May 15
	3488	103	9:39 a.m. May 15	May 15
	3436	104	9:46 a.m. May 15	May 15
	4109	105	9:50 a.m. May 15	May 15

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

S. F. No. 2219, A bill for an act relating to commerce; authorizing administrative rulemaking; prohibiting price gouging; establishing notice requirements; prescribing penalties; modifying provisions governing emergency closures; eliminating certain examination requirements; modifying and adding provisions governing the sale of certain motor vehicles; regulating nonbank mortgage servicers; requiring a report; modifying provisions governing life insurance; specifying provisions for third-party payers and dental providers; establishing time limitations for civil actions under certain motor vehicle insurance policies; changing investment limit for small corporate offerings; directing rulemaking; amending provisions related to utility billing practices in manufactured home parks; modifying telecommunications pricing plans; modifying the definition of cost; eliminating prohibition on below cost sales of gasoline; increasing the civil penalties for unlawful robocalls; modifying provisions relating to digital fair repair; requiring direct-to-consumer genetic testing companies to provide disclosure notices and obtain consent; modifying limitations on credit card surcharges; providing remedies to debtors with coerced debt; amending Minnesota Statutes 2022, sections 8.31, subdivision 1; 47.0153, subdivision 1; 53C.01, subdivision 12c, by adding a subdivision; 53C.08, subdivision 1a; 61A.031; 61A.60, subdivision 3; 62Q.735, subdivisions 1, 5; 62Q.76, by adding a subdivision; 62Q.78, by adding subdivisions; 65B.49, by adding a subdivision; 80A.50; 103G.291, subdivision 4; 237.066; 325D.01, subdivision 5; 325D.71; 325E.31; 325E.66, subdivisions 2, 3, by adding a subdivision; 325F.662, subdivisions 2, 3; 325G.051, subdivision 1; 327C.015, subdivision 17, by adding subdivisions; 327C.04, subdivisions 1, 2, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 58; 65A; 325E; 325F; 332; repealing Minnesota Statutes 2022, section 48.10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 240.01, subdivision 1c, is amended to read:

Subd. 1c. **Advance deposit wagering; ADW.** "Advance deposit wagering" or "ADW" means a system of pari-mutuel ~~wagering~~ betting in which wagers and withdrawals are debited and winning payoffs and deposits are credited to an account held by an authorized ADW provider on behalf of an account holder. Advance deposit wagering shall not mean or include historical horse racing, nor any televised, video, or computer screen depicting a video game of chance or slot machine.

Sec. 2. Minnesota Statutes 2022, section 240.01, subdivision 8, is amended to read:

Subd. 8. **Horse racing.** "Horse racing" is any form of live or simulcast of a live horse ~~racing~~ race in which horses carry a human rider or pull a sulky with a human. Horse racing shall not include any form that has happened in the past or is considered historical horse racing.

Sec. 3. Minnesota Statutes 2022, section 240.01, is amended by adding a subdivision to read:

Subd. 8a. **Historical horse racing.** "Historical horse racing" means any horse race that was previously conducted at a licensed racetrack, concluded with results, and concluded without scratches, disqualifications, or dead-heat finishes.

Sec. 4. Minnesota Statutes 2022, section 240.01, subdivision 14, is amended to read:

Subd. 14. **Pari-mutuel betting.** "Pari-mutuel betting" is the system of betting on horse races where those who bet on horses that finish in the position or positions for which bets are taken share in the total amounts bet, less deductions required or permitted by law. Pari-mutuel betting shall not include betting on a race that has occurred in the past or is considered historical horse racing or where bettors are not wagering on the same live or simulcast horse race or bettors do not share in the total amount of bets taken.

Sec. 5. **[240.071] PROHIBITED ACTS.**

A licensed racetrack shall only conduct horse racing and may be authorized to operate a card club in accordance with this chapter. A licensed racetrack shall not conduct or provide for play any of the following: historical horse racing; slot machines; video games of chance; or other gambling devices.

Sec. 6. **[240.231] LIMITATIONS ON RULEMAKING AND OTHER AUTHORITY.**

The commission's rulemaking and other authority, whether derived from section 240.23 or other sections in this chapter, shall only pertain to horse racing and card games at a card club as expressly authorized in this chapter and shall not include the authority to expand gambling, nor the authority to approve or regulate historical horse racing, slot machines, video games of chance, and other gambling devices, by means of rulemaking, a contested case hearing, the review and approval of a plan of operation or proposed or amended plan of operation, the approval of any proposal or request, or any other commission or agency action.

Sec. 7. Minnesota Statutes 2022, section 240.30, subdivision 8, is amended to read:

Subd. 8. **Limitations.** The commission may not approve any plan of operation under subdivision 6 that exceeds any of the following limitations:

(1) the maximum number of tables used for card playing at the card club at any one time, other than tables used for instruction, demonstrations, or poker tournament play, may not exceed 80;

(2) except as provided in clause (3), no wager may exceed $100;

(3) for games in which each player is allowed to make only one wager or has a limited opportunity to change that wager, no wager may exceed $300.; and

(4) no inclusion of any historical horse racing or any other form of gambling that is not expressly authorized for racetracks under this chapter.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to horse racing; prohibiting the conduct of historical horse racing and other activities at licensed racetracks; amending Minnesota Statutes 2022, sections 240.01, subdivisions 1c, 8, 14, by adding a subdivision; 240.30, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 240."

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

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 2219 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Murphy, Perryman, Joy and Backer introduced:

H. F. No. 5475, A bill for an act relating to taxation; individual income; corporate franchise; providing for certain business exemptions; amending Minnesota Statutes 2022, section 290.05, by adding a subdivision.

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

Sencer-Mura; Tabke; Agbaje; Hicks; Frazier; Hanson, J.; Wolgamott; Vang; Norris; Howard; Koegel and Feist introduced:

H. F. No. 5476, A bill for an act relating to education finance; establishing minimum compensation rates for teachers and certain other school staff; establishing aid programs to support teacher base compensation and unlicensed staff wage requirements; proposing coding for new law in Minnesota Statutes, chapter 122A.

The bill was read for the first time and referred to the Committee on Education Finance.

Altendorf introduced:

H. F. No. 5477, A bill for an act relating to elections; authorizing municipalities to designate additional precincts for postelection review; amending Minnesota Statutes 2022, section 206.89, subdivision 2.

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

Pursell introduced:

H. F. No. 5478, A bill for an act relating to data practices; modifying certain data request and retention provisions; creating a state electronic document repository; appropriating money; amending Minnesota Statutes 2022, sections 13.03, subdivision 3, by adding a subdivision; 138.17, subdivisions 1, 7; proposing coding for new law in Minnesota Statutes, chapter 13.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

MESSAGES FROM THE SENATE

The following messages were received from 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. 3438, A bill for an act relating to consumer protection; adding the failure to disclose mandatory fees in advertising as a deceptive trade practice; amending Minnesota Statutes 2022, sections 325D.43, by adding a subdivision; 325D.44, by adding subdivisions.

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 has concurred in and adopted the report of the Conference Committee on:

H. F. No. 4772, A bill for an act relating to elections; providing for policy and technical changes to elections and campaign finance provisions, including elections administration, campaign finance and lobbying, and census and redistricting; establishing the Minnesota Voting Rights Act; modifying the crime of using deep fakes to influence elections; requiring reports; amending Minnesota Statutes 2022, sections 10A.01, subdivision 33, by adding a subdivision; 123B.09, subdivision 5b; 201.071, subdivision 3; 204B.175; 204C.06, subdivision 1, by adding a subdivision; 204C.19, subdivision 3; 204C.20, subdivision 1, by adding a subdivision; 204C.33, subdivision 1; 204C.35, subdivisions 1, 2, by adding a subdivision; 204C.36, subdivisions 2, 3; 205.16, subdivisions 4, 5; 205A.05, subdivision 3; 205A.07, subdivisions 3, 3b; 205A.11, subdivision 2; 206.89, subdivisions 2, 3, 5, 6; 208.06; 208.44; 208.47; 211B.17, subdivision 1; 211B.18; 375.08; 412.02, subdivision 6, by adding a subdivision; 447.32, subdivision 3; Minnesota Statutes 2023 Supplement, sections 2.92, subdivision 4; 10A.01, subdivision 21; 10A.201, subdivisions 3, 4, 6, 9; 10A.202, subdivision 1; 200.02, subdivision 7; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 201.1611, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 3; 203B.081, subdivision 4; 204B.09, subdivision 3; 204B.16, subdivision 1; 204B.295, subdivisions 1, 2, 3, by adding a subdivision; 204C.24, subdivision 1; 204C.33, subdivision 3; 205.16, subdivision 2; 206.61, subdivision 1; 609.771, subdivisions 2, 3, 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 2; 200; 241; 375; repealing Minnesota Statutes 2022, section 383B.031; Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 11.

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 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. 5216, A bill for an act relating to state government; providing law for judiciary, public safety, and corrections; establishing a state board of civil legal aid; modifying safe at home program certification and restorative practices restitution program; establishing working group for motor vehicle registration compliance; establishing task forces on holistic and effective responses to illicit drug use and domestic violence and firearm surrender; establishing a public safety telecommunicator training and standards board; authorizing rulemaking; requiring reports; modifying certain prior appropriations; appropriating money for judiciary, public safety, and corrections; amending Minnesota Statutes 2022, sections 5B.02; 5B.03, subdivision 3; 5B.04; 5B.05; 13.045, subdivision 3; 260B.198, subdivision 1; 260B.225, subdivision 9; 260B.235, subdivision 4; 299A.73, subdivision 4; 403.02, subdivision 17c; 480.24, subdivisions 2, 4; 480.242, subdivisions 2, 3; 480.243, subdivision 1; Minnesota Statutes 2023 Supplement, sections 244.50, subdivision 4; 299A.49, subdivisions 8, 9; 299A.95, subdivision 5; 403.11, subdivision 1; 609A.06, subdivision 2; 638.09, subdivision 5; Laws 2023, chapter 52, article 1, section 2, subdivision 3; article 2, sections 3, subdivision 5; 6, subdivisions 1, 4; article 8, section 20, subdivision 3; Laws 2023, chapter 63, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapters 169; 299A; 403; 480; repealing Minnesota Statutes 2022, section 480.242, subdivision 1.

THOMAS S. BOTTERN, Secretary of the Senate

Moller moved that the House refuse to concur in the Senate amendments to H. F. No. 5216, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Champion, Oumou Verbeten, and Abeler.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

THOMAS S. BOTTERN, Secretary of the Senate

Hollins moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 716. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 5216:

Moller, Becker-Finn, Feist, Curran and Mueller.

The Speaker announced the following change in membership of the Conference Committee on S. F. No. 4699:

Delete the name of Pinto and add the name of Reyer.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 716:

Agbaje, Hudson and Hollins.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Saturday, May 18, 2024:

S. F. No. 2219; and H. F. Nos. 5162 and 5220.

MOTIONS AND RESOLUTIONS

TAKEN FROM THE TABLE

Long moved that S. F. No. 37 be taken from the table. The motion prevailed and S. F. No. 37 was taken from the table.

S. F. No. 37 was reported to the House.

Demuth moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 1, line 9, after "rights" insert "and freedom from discrimination" and delete "The"

Page 1 delete lines 10 to 20

Page 2, delete line 1

Page 2, line 6, after the period, insert "The state does not include nonstate or private entities receiving public funds or otherwise participating in public programs or conferring a public benefit."

Page 2, line 8, delete everything after the period

Page 2, delete lines 9 and 10

Page 2, line 15, delete everything after "state"

Page 2, delete line 16

Page 2, line 17, delete "sexual orientation"

A roll call was requested and properly seconded.

The Speaker called Vang to the Chair.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Acomb	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	Kotyza-Witthuhn	Moller
Carroll	Finke	Hanson, J.	Howard	Kozlowski	Nelson, M.
Cha	Fischer	Hassan	Huot	Kraft	Noor

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

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

Torkelson moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 1, line 16, delete "or"

Page 1, after line 16, insert:

"(f) age, where the person is over the age of majority; or"

Reletter the paragraphs in sequence

Page 2, line 16, after "disability," insert "age,"

A roll call was requested and properly seconded.

Niska moved to amend the Torkelson amendment to S. F. No. 37, the unofficial engrossment, as follows:

Page 1, line 4, after "majority" insert ". The state has a compelling governmental interest in protecting children under the age of majority which supersedes any right claimed under this section. An adult's physical or sexual attraction to a child under the age of majority is not protected under this section or under any state law. Nothing in this section prohibits the state from complying with a federal requirement or a condition of receiving federal funds"

A roll call was requested and properly seconded.

The question was taken on the Niska amendment to the Torkelson amendment and the roll was called. There were 60 yeas and 66 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Acomb	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	Noor	Smith
Bierman	Fischer	Hicks	Kotyza-Witthuhn	Norris	Stephenson
Brand	Frazier	Hill	Kozlowski	Olson, L.	Tabke
Carroll	Frederick	Hollins	Kraft	Pelowski	Vang
Cha	Freiberg	Hornstein	Lee, F.	Pérez-Vega	Virnig
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 to the amendment was not adopted.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Robbins moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 2, line 6, after the period, insert "For purposes of this section, state does not include a private or nonstate entity that receives public funds or otherwise participates in a public program or confers a public benefit."

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Niska moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 1, line 10, delete "or effect"

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

Demuth moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section shall be added to article I, to read:

Sec. 18. Equality of rights under the law shall not be denied or abridged by the state or the political subdivision of the state on account of sex.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2024 general election. If ratified, the amendment is effective January 1, 2025. The question submitted must be:

"Shall the Minnesota Constitution be amended to say that equality of rights under the law shall not be denied or abridged by the state or the political subdivision of the state on account of sex?

Yes .....
No ....."

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Minnesota Equal Rights Amendment.""

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

LAY ON THE TABLE

Long moved that S. F. No. 37 be laid on the table. The motion prevailed and S. F. No. 37 was laid on the table.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 5237 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. 5237 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 2022, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student ~~without a disability~~, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 350 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.92, subdivision 11, is amended to read:

Subd. 11. **Area learning center transportation aid.** (a) A district or cooperative unit under section 123A.24, subdivision 2, that provides transportation of pupils to and from an area learning center program established under section 123A.05 is eligible for state aid to reimburse the additional costs of transportation during the preceding fiscal year.

(b) A district or cooperative unit under section 123A.24, subdivision 2, may apply to the commissioner of education for state aid to reimburse the costs of transporting pupils who are enrolled in an area learning center program established under section 123A.05 during the preceding fiscal year. The commissioner shall develop the form and manner of applications for state aid, the criteria to determine when transportation is necessary, and the accounting procedure to determine excess costs. In determining aid amounts, the commissioner shall consider other revenue received by the district or cooperative unit under section 123A.24, subdivision 2, for transportation for area learning center purposes.

(c) The total aid entitlement for this section is $1,000,000 each year. The commissioner must prorate aid if this amount is insufficient to reimburse ~~district~~ costs for a district or cooperative unit under section 123A.24, subdivision 2.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 3. Minnesota Statutes 2023 Supplement, section 124D.65, subdivision 5, as amended by Laws 2024, chapter 85, section 21, is amended to read:

Subd. 5. **School district EL revenue.** (a) For fiscal year 2024 through fiscal year 2026, a district's English learner programs revenue equals the sum of:

(1) the product of (i) $1,228, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year; and

(2) $436 times the English learner pupil units under section 126C.05, subdivision 17.

(b) For fiscal year 2027 and later, a district's English learner programs revenue equals the sum of:

(1) the product of (i) $1,775, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year; and

(2) $630 times the English learner pupil units under section 126C.05, subdivision 17~~; and~~

~~(3) the district's English learner cross subsidy aid. A district's English learner cross subsidy aid equals 25 percent of the district's English learner cross subsidy under paragraph (c) for fiscal year 2027 and later~~.

(c) ~~A district's English learner cross subsidy equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year.~~

~~(d)~~ A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.

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

Sec. 4. Minnesota Statutes 2022, section 124D.65, is amended by adding a subdivision to read:

Subd. 5a. **English learner cross subsidy aid.** (a) For fiscal year 2027 and later, a district's English learner cross subsidy aid equals 25 percent of the district's English learner cross subsidy calculated under paragraph (b).

(b) A district's English learner cross subsidy equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue under subdivision 5 for the second previous year. For the purposes of this subdivision, "qualifying English learner services" means the services necessary to implement the language instruction educational program for students identified as English learners under sections 124D.58 to 124D.65. Only expenditures that both address the English language development standards in Minnesota Rules, parts 3501.1200 and 3501.1210, which may include home language instruction, and are supplemental to the cost of core content instruction may be included as expenditures for qualifying English learner services. Expenditures do not include costs related to construction, indirect costs, core content instruction, or core administrative personnel.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 124D.995, subdivision 3, is amended to read:

Subd. 3. **Money appropriated.** (a) Subject to the availability of funds, money in the account is annually appropriated to the commissioner of education to reimburse school districts; charter schools; intermediate school districts and cooperative units under section 123A.24, subdivision 2; the Perpich Center for Arts Education; and the Minnesota State Academies for costs associated with providing unemployment benefits to school employees under section 268.085, subdivision 7, paragraph (b).

(b) The Perpich Center for Arts Education and the Minnesota State Academies may only apply to the commissioner for reimbursement of unemployment insurance amounts in excess of the amounts specifically identified in their annual agency appropriations.

(c) If the amount in the account is insufficient, the commissioner must proportionately reduce the aid payment to each recipient. Notwithstanding section 127A.45, subdivision 3, aid payments must be paid ~~100~~ 90 percent in the current year and ten percent in the following year on a schedule determined by the commissioner.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 6. Minnesota Statutes 2022, section 126C.05, subdivision 15, is amended to read:

Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student ~~without a disability~~ in an all-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student ~~without a disability~~, that pupil may be counted as more than one pupil in average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of 850 hours or the number of hours required for a full-time kindergarten student ~~without a disability~~ in the district to 850 for a kindergarten student ~~without a disability~~. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(iii) General education revenue for a pupil in a state-approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit or graduation standards necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by 1,020.

(iv) For a state-approved alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 7. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) Local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals $300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals $424 times the adjusted pupil units of the district for that school year.

(b) A district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $880,000.

(d) For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $548,842. For fiscal year 2024, a district's second tier local optional levy equals the district's second tier local

optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $510,000. For fiscal year 2025, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to ~~$587,244~~ $626,450. For fiscal year 2026, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $642,038. For fiscal year 2027 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $671,345.

(e) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

(f) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 8. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) ~~For fiscal year 2024, the compensatory education revenue for each building in the district equals the formula allowance minus $839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.~~ A district's compensatory revenue equals the sum of its compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) ~~For fiscal year 2025, compensatory revenue must be calculated under Laws 2023, chapter 18, section 3.~~ For fiscal years 2024 and 2025, the compensatory education revenue for each building in the district equals the formula allowance minus $839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.

(c) For fiscal year 2026 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance. ~~Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.~~

(d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

~~(f) Notwithstanding paragraph (c), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, compensatory education revenue must be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory education revenue must be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensatory education revenue must be prorated based on the ratio of the number of days of student instruction to 170 days.~~

~~(g)~~ (f) Notwithstanding paragraph (c), for fiscal year 2026, if the ~~calculation under paragraph (d) results in statewide revenue of~~ sum of the amounts calculated under paragraph (c) is less than $838,947,000, ~~additional revenue must be provided~~ the commissioner must proportionately increase the revenue to each building ~~in a manner prescribed by the commissioner of education~~ until the total statewide revenue calculated for each building equals $838,947,000.

~~(h)~~ (g) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the ~~calculation under paragraph (d) results in statewide revenue of~~ sum of the amounts calculated under paragraph (c) is less than $857,152,000, ~~additional revenue must be provided~~ the commissioner must proportionately increase the revenue to each building ~~in a manner prescribed by the commissioner of education~~ until the total statewide revenue calculated for each building equals $857,152,000.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 9. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3a, is amended to read:

Subd. 3a. **Definitions.** The definitions in this subdivision apply only to subdivisions 3, 3b, and 3c.

(a) "Building compensatory allowance" means a building concentration factor multiplied by the statewide compensatory allowance.

(b) "Building concentration factor" means the ratio of a building's compensatory pupils to the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(c) "Compensatory pupils" means the sum of the number of pupils enrolled in a building eligible to receive free meals pursuant to subdivision 3b plus one-half of the pupils eligible to receive reduced-priced meals pursuant to subdivision 3b on October 1 of the previous fiscal year.

(d) "Statewide compensatory allowance" means the amount calculated pursuant to subdivision 3c.

(e) Notwithstanding paragraphs (b) and (c), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, the building concentration factor and compensatory pupils must be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, the building concentration factor and compensatory pupils must be computed based on pupils enrolled on an alternate date determined by the commissioner and the compensatory pupils must be prorated based on the ratio of the number of days of student instruction to 170 days.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 10. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3c, is amended to read:

Subd. 3c. **Statewide compensatory allowance.** ~~(a)~~ For fiscal year 2026, the statewide compensatory allowance is $6,734. For fiscal year 2027 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.

~~(b) For fiscal year 2026 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.~~

Sec. 11. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 4, is amended to read:

Subd. 4. **Basic skills revenue.** A school district's basic skills revenue equals the sum of:

(1) compensatory revenue under subdivision 3; and

(2) English learner revenue under section 124D.65, ~~subdivision~~ subdivisions 5 and 5a.

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

Sec. 12. Minnesota Statutes 2022, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** (a) To obtain operating capital revenue, a district may levy an amount not more than the product of its operating capital equalization revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals ~~$23,902 for fiscal year 2020, $23,885 for fiscal year 2021, and~~ $22,912 for fiscal year ~~2022 and later~~ 2024, $23,138 for fiscal year 2025, and $22,912 for fiscal year 2026 and later.

(b) A district's operating capital equalization revenue equals the district's total operating capital revenue under subdivision 13, calculated without the amount under subdivision 13, paragraph (a), clause (3).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 13. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 18a, is amended to read:

Subd. 18a. **Pupil transportation adjustment.** (a) An independent, common, or special school district's transportation sparsity revenue under subdivision 18 is increased by the greater of zero or 35 percent of the difference between:

(1) the lesser of the district's total cost for regular and excess pupil transportation under section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal year or 105 percent of the district's total cost for the second previous fiscal year; and

(2) the sum of:

(i) 4.66 percent of the district's basic revenue for the previous fiscal year;

(ii) transportation sparsity revenue under subdivision 18 for the previous fiscal year;

(iii) the district's charter school transportation adjustment for the previous fiscal year; ~~and~~

(iv) the district's reimbursement for transportation provided under section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi); and

(v) the district's area learning center transportation aid under section 123B.92, subdivision 11.

(b) A charter school's pupil transportation adjustment equals the school district per pupil unit adjustment under paragraph (a).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 14. Minnesota Statutes 2022, section 127A.51, is amended to read:

127A.51 STATEWIDE AVERAGE REVENUE.

(a) By December 1 of each year the commissioner must estimate the statewide average adjusted general revenue per adjusted pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the 95th percentile to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

(b) If the disparity in adjusted general revenue as measured by the ratio of the 95th percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by February 1.

(c) For purposes of this section and section 126C.10, adjusted general revenue means the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity revenue under section 126C.10, ~~subdivisions 24a and 24b~~ subdivision 24.

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

Sec. 15. Laws 2023, chapter 55, article 1, section 36, subdivision 2, as amended by Laws 2024, chapter 81, section 1, is amended to read:

Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

$8,103,909,000	. . . . .	2024
$ ~~8,299,317,000~~ 8,333,843,000	. . . . .	2025

(b) The 2024 appropriation includes $707,254,000 for 2023 and $7,396,655,000 for 2024.

(c) The 2025 appropriation includes $771,421,000 for 2024 and ~~$7,527,896,000~~ $7,562,422,000 for 2025.

Sec. 16. Laws 2023, chapter 55, article 1, section 36, subdivision 8, is amended to read:

Subd. 8. **One-room schoolhouse.** (a) For ~~a grant~~ aid to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

$65,000	. . . . .	2024
$65,000	. . . . .	2025

(b) This aid is 100 percent payable in the current year.

Sec. 17. Laws 2023, chapter 64, article 15, section 34, subdivision 2, is amended to read:

Subd. 2. **Windom School District onetime supplemental aid.** (a) For aid to Independent School District No. 177, Windom:

$1,000,000	. . . . .	2024

(b) For fiscal year 2024 only, Windom School District's onetime supplemental aid equals the greater of zero or the product of: (1) $10,000, and (2) the difference between the October 1, 2022, pupil enrollment count and the October 1, 2023, pupil enrollment count. The amount calculated under this paragraph must not exceed $1,000,000.

(c) 100 percent of the aid must be paid in the current year.

(d) This is a onetime appropriation.

(e) On June 29, 2024, $840,000 from the initial fiscal year 2024 appropriation is canceled to the general fund.

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

Sec. 18. **BASIC SKILLS REVENUE ACCOUNT TRANSFERS.**

Notwithstanding Minnesota Statutes, section 126C.15, subdivision 4, by June 30, 2025, school districts with a balance in their basic skills revenue account that is restricted for use on extended time programs must transfer those funds to an account that is restricted for basic skills revenue.

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

Sec. 19. **TASK FORCE ON ENGLISH LEARNER PROGRAMS.**

Subdivision 1. **Task force established.** A task force is established to analyze how public schools use English learner revenue at the site level and administrative level, consider how microcredentials or other certifications may be used to improve collaboration between teachers working with English learners, and make recommendations on how English learner revenue can be used more effectively to help students become proficient in English and participate meaningfully and equally in education programs.

Subd. 2. **Members.** The commissioner of education, in consultation with the executive director of the Professional Educator Licensing and Standards Board, must appoint the following members to the task force by August 1, 2024:

(1) the commissioner of education or the commissioner's designee;

(2) the executive director of the Professional Educator Licensing and Standards Board or the executive director's designee;

(3) the executive director of the Minnesota Education Equity Partnership or the executive director's designee;

(4) one member who represents teacher preparation programs that enroll candidates seeking a field license in English as a second language;

(5) one member who represents school boards;

(6) one member who represents the superintendent;

(7) one member who is a teacher of English learners;

(8) one member who is a teacher in a state-approved alternative program;

(9) one member who is a director of an English learner program in a school district;

(10) one member who is a director of a state-approved alternative program;

(11) one member who is a parent of a student identified as an English learner;

(12) one member who is a parent liaison to families of English learners in a school district;

(13) one member who is a parent of a student enrolled in a state-approved alternative program;

(14) one member from the Southeast Service Cooperative's Project Momentum; and

(15) one member from a community organization that works with families of English learners.

Subd. 3. **Duties.** (a) The task force must:

(1) review best practices in English learner programming, including:

(i) an accountability framework that uses student performance on state assessments to determine whether the program is improving academic outcomes for English learners;

(ii) staffing and managing an English learner program, including providing appropriate professional development for teachers, administrators, and other staff;

(iii) evaluation of the efficacy of the English learner program; and

(iv) ensuring meaningful communication and engagement with limited English proficient parents;

(2) review best practices in providing services to students who are eligible to participate in the graduation incentives program under Minnesota Statutes, section 124D.68, including:

(i) an accountability framework that uses credit recovery rates and graduation rates to determine whether the program is improving academic outcomes for participating students; and

(ii) professional development for teachers and other staff;

(3) analyze how English learner revenue is used at the site level and administrative level and whether expenditures align with the best practices identified under clause (1);

(4) identify obstacles to hiring and retaining necessary staff to support effective English learner programs;

(5) analyze how microcredentials or other certifications can improve collaboration among teachers working with English learners, and recommend a process for awarding the microcredentials or other certifications; and

(6) to the extent time is available, review best practices for dual enrollment programs for students eligible for the graduation incentives program, including the provision of college and career and readiness counselors and:

(i) an accountability framework based on the acceleration of dual credit accumulation before a student graduates from high school;

(ii) professional development for counselors; and

(iii) evaluation of the efficacy of the dual enrollment program.

(b) The task force must review data regarding student access to teachers with a field license in English as a second language.

(c) The task force must report its findings and recommendations on the current use of English learner revenue at the site level and administrative level, implementation of microcredentials or other certifications, and how English learner funding can be used more effectively to help students become proficient in English and participate meaningfully and equally in an education program. The task force must submit the report to the legislative committees with jurisdiction over kindergarten through grade 12 education by February 15, 2025.

Subd. 4. **Compensation.** Minnesota Statutes, section 15.059, subdivision 3, governs compensation of the members of the task force.

Subd. 5. **Meetings and administrative support.** (a) The commissioner of education or the commissioner's designee must convene the first meeting of the task force no later than August 15, 2024. The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under subdivision 3. Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

(b) The Department of Education must provide administrative support to assist the task force in its work, including providing information and technical support, and must assist in the creation of the report under subdivision 3.

Subd. 6. **Expiration.** The task force expires February 15, 2025, or upon submission of the report required under subdivision 3, whichever is later.

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

Sec. 20. **STUDENT ATTENDANCE PILOT PROGRAM.**

Subdivision 1. **Pilot program established.** A pilot program is established to support districts developing and implementing innovative strategies to improve student attendance, and help policymakers determine how to effectively support district efforts to improve student attendance and engagement. The pilot program is effective for the 2024-2025, 2025-2026, and 2026-2027 school years.

Subd. 2. **Participating districts.** (a) The pilot program consists of the following school districts:

(1) Special School District No. 1, Minneapolis;

(2) Independent School District No. 13, Columbia Heights;

(3) Independent School District No. 38, Red Lake;

(4) Independent School District No. 47, Sauk Rapids-Rice;

(5) Independent School District No. 77, Mankato;

(6) Independent School District No. 152, Moorhead;

(7) Independent School District No. 166, Cook County;

(8) Independent School District No. 177, Windom;

(9) Independent School District No. 191, Burnsville;

(10) Independent School District No. 535, Rochester;

(11) Independent School District No. 659, Northfield; and

(12) Independent School District No. 695, Chisholm.

(b) Special School District No. 1, Minneapolis, must serve as the lead district in the pilot program. The duties of the lead district are:

(1) convening virtual quarterly meetings of the participating districts to share updates on implementation to facilitate collaboration on promising practices;

(2) developing a template for each district to report its goals, strategies, policies, or practices for counting and reporting attendance and absences, challenges, efforts to assess effectiveness, data on student absenteeism, and lessons learned; and

(3) reporting progress and results of the pilot program in accordance with subdivision 4.

(c) Independent School District No. 38, Red Lake, must partner with Charter School District No. 4298, Endazhi-Nitaawiging, to implement strategies to reduce student absenteeism at both the district and charter school.

(d) By July 1, 2024, each district must designate a primary staff person responsible for implementing the pilot program. The participating districts must hold their first meeting by August 1, 2024.

Subd. 3. **Strategies.** Participating districts must use pilot program aid to develop and implement sustainable strategies to reduce student absenteeism. Allowable uses of pilot program aid include but are not limited to:

(1) addressing risk factors for high absenteeism through supports and interventions;

(2) strategies that focus on the individual needs of each student;

(3) personalized outreach to students who have stopped attending school, including home visits and connecting with students in community centers or other public areas;

(4) regular meetings with students to provide tutoring or other supports or to connect students with resources that provide tutoring or other supports;

(5) activities that increase students' sense of belonging in the school community;

(6) data analysis to assess the effectiveness of district strategies; and

(7) technology that assists districts' efforts to communicate with students and families.

Subd. 4. **Reporting.** (a) The lead school district must submit reports to the chairs and minority leaders of the legislative committees with jurisdiction over kindergarten through grade 12 education by December 31, 2024; July 1, 2025; July 1, 2026; and September 1, 2027. Each report must include each participating district's individual reports.

(b) The first report must identify the goals and strategies each district plans to implement during the pilot program, and how each district counts and reports latenesses and absences. The other reports must identify each district's goals, strategies, challenges in meeting goals or implementing planned strategies, promising practices and practices that were not effective, and attendance data for the school year preceding the pilot program and the three school years of the pilot program. The attendance data must include attendance data for students that were absent up to ten percent of classes or school days, between ten and 29 percent of classes or school days, between 30 and 49 percent of classes or school days, and 50 percent or more of classes or school days; and for students who are homeless or highly mobile. The fourth report must also include recommendations for funding and statutory changes that would facilitate district efforts to implement local solutions to improve attendance.

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

Sec. 21. **STUDENT ATTENDANCE AND TRUANCY LEGISLATIVE STUDY GROUP.**

Subdivision 1. **Establishment.** A legislative study group is established to study issues related to student attendance and truancy.

Subd. 2. **Members.** (a) The legislative study group on student attendance and truancy consists of:

(1) four duly elected and currently serving members of the house of representatives, two appointed by the speaker of the house and two appointed by the house minority leader; and

(2) four duly elected and currently serving senators, two appointed by the senate majority leader and two appointed by the senate minority leader.

(b) The appointments must be made by June 15, 2024, and expire December 31, 2024.

(c) If a vacancy occurs, the leader of the caucus in the house of representatives or senate to which the vacating study group member belonged must fill the vacancy.

Subd. 3. **Duties.** (a) The legislative study group must study and evaluate ways to increase student attendance and reduce truancy. In preparing the recommendations, the group must consider the following:

(1) current statutory requirements relating to student attendance and truancy;

(2) currently available attendance data and additional data that would help schools and policy makers understand and reduce absenteeism;

(3) the effect of school programs and strategies to improve attendance;

(4) the role of school principals in addressing student absenteeism;

(5) the role of the Department of Education in addressing student absenteeism;

(6) the role of counties in addressing truancy; and

(7) how truant students are tracked across county lines.

(b) The study group must identify and include in its report any statutory changes needed to implement the study group recommendations.

Subd. 4. **Meetings and chair.** (a) The speaker of the house must designate a member to convene the first meeting of the study group, which must be held no later than July 15, 2024. Members of the study group must elect a chair from among the members present at the first meeting. The study group must meet periodically.

(b) Meetings of the study group are subject to Minnesota Statutes, section 3.055. The meetings may be conducted by interactive television.

Subd. 5. **Administrative support.** The Department of Education must cooperate with the legislative study group and provide information requested in a timely fashion. The Legislative Coordinating Commission must provide meeting space, technical and administrative support, and staff support for the study group. The study group may hold meetings in any publicly accessible location in the Capitol complex that is equipped with technology that can facilitate remote testimony.

Subd. 6. **Consultation with stakeholders.** In making recommendations, the study group must consult with interested and affected stakeholders.

Subd. 7. **Report.** The study group must submit a preliminary report with its recommendations to the legislative committees and divisions with jurisdiction over kindergarten through grade 12 education by November 1, 2024, and a final report by December 31, 2024.

Subd. 8. **Expiration.** The study group expires December 31, 2024, or on the date upon which the final report required under subdivision 7 is submitted to the legislature, whichever is later.

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

Sec. 22. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education in the fiscal years designated.

Subd. 2. **Attendance pilot program.** (a) For attendance pilot program aid:

$4,687,000 2025

(b) Of the amount in paragraph (a), the department must provide aid to the participating districts in the following amounts:

(1) $1,022,000 for Special School District No. 1, Minneapolis;

(2) $253,000 for Independent School District No. 13, Columbia Heights;

(3) $196,000 for Independent School District No. 38, Red Lake;

(4) $281,000 for Independent School District No. 47, Sauk Rapids-Rice;

(5) $398,000 for Independent School District No. 77, Mankato;

(6) $374,000 for Independent School District No. 152, Moorhead;

(7) $164,000 for Independent School District No. 166, Cook County;

(8) $185,000 for Independent School District No. 177, Windom;

(9) $378,000 for Independent School District No. 191, Burnsville;

(10) $670,000 for Independent School District No. 535, Rochester;

(11) $266,000 for Independent School District No. 659, Northfield; and

(12) $170,000 for Independent School District No. 695, Chisholm.

(c) Up to $330,000 is available for the department to administer the pilot program and to support attendance data analysis and use.

(d) Aid payments to school districts must be paid 100 percent in fiscal year 2025. Districts may use the aid in the 2024-2025, 2025-2026, and 2026-2027 school years. If a school district withdraws from the student attendance pilot program prior to the completion of the pilot project, the commissioner must proportionately reduce the district's aid amount and reduce the school district's other aid amounts by that same amount.

(e) This is a onetime appropriation and is available until June 30, 2026.

Subd. 3. **Minnesota Alliance With Youth.** (a) For a grant to the Minnesota Alliance With Youth to improve student attendance and academic engagement provided through the Promise Fellow program:

$625,000 2025

(b) The Promise Fellow program must form partnerships with AmeriCorps members, individual schools, school districts, charter schools, and community organizations to provide attendance and academic engagement intervention services. Services may include family and caregiver outreach and engagement, academic support, connection to out-of-school activities and resources, and individual and small group mentoring designed to help students return to and maintain consistent school attendance.

(c) The Minnesota Alliance With Youth must promote Promise Fellow program opportunities throughout the state.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the appropriation is available for grant administration.

(e) This is a onetime appropriation and is available until June 30, 2026.

Subd. 4. **Student attendance and truancy legislative study group.** (a) For transfer to the Legislative Coordinating Commission for the student attendance and truancy legislative study group:

$64,000 2025

(b) This is a onetime appropriation.

Subd. 5. **English learner program task force.** (a) For the English learner program task force:

$117,000 2025

(b) This is a onetime appropriation.

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

ARTICLE 2
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2023 Supplement, section 120B.018, subdivision 6, is amended to read:

Subd. 6. **Required standard.** "Required standard" means ~~(1)~~ a statewide adopted expectation for student learning in the content areas of language arts, mathematics, science, social studies, physical education, health, and the arts~~, and (2) a locally adopted expectation for student learning in health~~. Locally developed academic standards in health apply until statewide rules implementing statewide health standards under section 120B.021, subdivision 3, are required to be implemented in the classroom.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics, encompassing algebra II, integrated mathematics III, or an equivalent in high school, and to be prepared for the three credits of mathematics in grades 9 through 12, the grade 8 standards include completion of algebra;

(3) science, including earth and space science, life science, and the physical sciences, including chemistry and physics;

(4) social studies, including history, geography, economics, and government and citizenship that includes civics;

(5) physical education;

(6) health~~, for which locally developed academic standards apply~~; and

(7) the arts. Public elementary and middle schools must offer at least three and require at least two of the following five arts areas: dance; media arts; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

(c) The department may modify SHAPE America (Society of Health and Physical Educators) standards and adapt the national standards to accommodate state interest. The modification and adaptations must maintain the purpose and integrity of the national standards. The department must make available sample assessments, which school districts may use as an alternative to local assessments, to assess students' mastery of the physical education standards beginning in the 2018-2019 school year.

(d) A school district may include child sexual abuse prevention instruction in a health curriculum, consistent with paragraph (a), clause (6). Child sexual abuse prevention instruction may include age-appropriate instruction on recognizing sexual abuse and assault, boundary violations, and ways offenders groom or desensitize victims, as well

as strategies to promote disclosure, reduce self-blame, and mobilize bystanders. A school district may provide instruction under this paragraph in a variety of ways, including at an annual assembly or classroom presentation. A school district may also provide parents information on the warning signs of child sexual abuse and available resources.

(e) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

(f) Locally developed academic standards in health apply until statewide rules implementing statewide health standards under subdivision 3 are required to be implemented in the classroom.

Sec. 3. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 2, is amended to read:

Subd. 2. **Standards development.** (a) The commissioner must consider advice from at least the following stakeholders in developing statewide rigorous core academic standards in language arts, mathematics, science, social studies, including history, geography, economics, government and citizenship, health, and the arts:

(1) parents of school-age children and members of the public throughout the state;

(2) teachers throughout the state currently licensed and providing instruction in language arts, mathematics, science, social studies, health, or the arts and licensed elementary and secondary school principals throughout the state currently administering a school site;

(3) currently serving members of local school boards and charter school boards throughout the state;

(4) faculty teaching core subjects at postsecondary institutions in Minnesota;

(5) representatives of the Minnesota business community; ~~and~~

(6) representatives from the Tribal Nations Education Committee and Tribal Nations and communities in Minnesota, including both Anishinaabe and Dakota~~.~~; and

(7) current students, with input from the Minnesota Youth Council.

(b) Academic standards must:

(1) be clear, concise, objective, measurable, and grade-level appropriate;

(2) not require a specific teaching methodology or curriculum; and

(3) be consistent with the Constitutions of the United States and the state of Minnesota.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** (a) The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under section 14.389 for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts.

(b) The commissioner must adopt statewide rules for implementing statewide rigorous core academic standards in health.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian Tribes and communities, including urban Indigenous communities, as related to the academic standards during the review and revision of the required academic standards. The commissioner must embed Indigenous education for all students consistent with recommendations from Tribal Nations and urban Indigenous communities in Minnesota regarding the contributions of American Indian Tribes and communities in Minnesota into the state's academic standards during the review and revision of the required academic standards. The recommendations to embed Indigenous education for all students includes but is not limited to American Indian experiences in Minnesota, including Tribal histories, Indigenous languages, sovereignty issues, cultures, treaty rights, governments, socioeconomic experiences, contemporary issues, and current events.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.302, subdivision 3, paragraph (a). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2021-2022 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2017-2018 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2018-2019 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2019-2020 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2020-2021 school year and every ten years thereafter.

(g) The commissioner must implement a review of the academic standards and related benchmarks in physical education beginning in the 2026-2027 school year and every ten years thereafter.

(h) The commissioner must implement a review of the academic standards and related benchmarks in health education beginning in the 2034-2035 school year and every ten years thereafter.

~~(h)~~ (i) School districts and charter schools must revise and align local academic standards and high school graduation requirements in ~~health,~~ world languages~~,~~ and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in ~~health,~~ world languages~~,~~ and career and technical education.

~~(i)~~ (j) The commissioner of education must embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements.

~~(j)~~ (k) The commissioner of education must embed ethnic studies as related to the academic standards during the review and revision of the required academic standards.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** (a) Students must successfully complete the following high school level credits for graduation:

(1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;

(2) three credits of mathematics sufficient to satisfy all of the academic standards in mathematics;

(3) three credits of science, including one credit to satisfy all the earth and space science standards for grades 9 through 12, one credit to satisfy all the life science standards for grades 9 through 12, and one credit to satisfy all the chemistry or physics standards for grades 9 through 12;

(4) three and one-half credits of social studies, including credit for a course in government and citizenship in either grade 11 or 12 for students beginning grade 9 in the 2024-2025 school year and later or an advanced placement, international baccalaureate, or other rigorous course on government and citizenship under section 120B.021, subdivision 1a, and a combination of other credits encompassing at least United States history, geography, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;

(5) one credit of the arts sufficient to satisfy all of the academic standards in the arts;

(6) credits sufficient to satisfy the state standards in physical education; ~~and~~

(7) credits sufficient to satisfy the state standards in health upon adoption of statewide rules for implementing health standards under section 120B.021; and

~~(7)~~ (8) a minimum of seven elective credits.

(b) Students who begin grade 9 in the 2024-2025 school year and later must successfully complete a course for credit in personal finance in grade 10, 11, or 12. A teacher of a personal finance course that satisfies the graduation requirement must have a field license or out-of-field permission in agricultural education, business, family and consumer science, social studies, or math.

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

Sec. 7. Minnesota Statutes 2022, section 121A.035, is amended to read:

121A.035 CRISIS MANAGEMENT POLICY.

Subdivision 1. **Model policy.** The commissioner shall maintain and make available to school boards and charter schools a model crisis management policy that includes, among other items, cardiac emergency response plans, school lock-down and tornado drills, consistent with subdivision 2, and school fire drills under section 299F.30.

Subd. 2. **School district and charter school policy.** (a) A school board and a charter school must adopt a crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill.

(b) A school board or a charter school may adopt the model cardiac emergency response plan provided by the commissioner under subdivision 1.

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

Sec. 8. Minnesota Statutes 2022, section 124D.093, subdivision 4, is amended to read:

Subd. 4. **Approval process.** (a) The commissioner of education must appoint an advisory committee to review the applications and to recommend approval for those applications that meet the requirements of this section. The commissioner of education has final authority over application approvals.

(b) To the extent practicable, the commissioner must ensure an equitable geographic distribution of approved P-TECH schools.

~~(c) The commissioner must first begin approving applications for a P-TECH school enrolling students in the 2020-2021 school year or later.~~

Sec. 9. Minnesota Statutes 2022, section 124D.093, subdivision 5, is amended to read:

Subd. 5. **P-TECH implementation grants: support; start-up; and mentoring grants.** (a) When an appropriation is available, each P-TECH school is eligible for a grant to support start-up and ongoing program costs, which may include, but are not limited to, recruitment, student support, program materials, and P-TECH school liaisons. A P-TECH school may form a partnership with a school in another school district.

(b) For fiscal year 2026 and later, the maximum P-TECH support grant must not exceed $500,000 per year.

(c) An approved P-TECH school is eligible to receive a grant to support start-up costs the year before first enrolling P-TECH students. A start-up grant may be awarded to a new applicant in an amount not to exceed $50,000.

(d) A grant recipient operating a P-TECH program may provide mentoring and technical assistance to a school eligible for a start-up grant. A mentoring and technical assistance grant may not exceed $50,000.

(e) For each year that an appropriation is made for the purposes of this section, the department may retain five percent of the appropriation for grant administration and program oversight.

Sec. 10. Minnesota Statutes 2022, section 124D.957, subdivision 1, is amended to read:

Subdivision 1. **Establishment and membership.** The Minnesota Youth Council Committee is established within and under the auspices of the Minnesota Alliance With Youth. The committee consists of four members from each congressional district in Minnesota and four members selected at-large. Members must be selected through an application and interview process conducted by the Minnesota Alliance With Youth. In making its appointments, the Minnesota Alliance With Youth should strive to ensure gender and ethnic diversity in the committee's membership. Members must be ~~between the ages of 13 and 19~~ in grades 8 through 12 and serve two-year terms, except that one-half of the initial members must serve a one-year term. Members may serve a maximum of two terms.

EFFECTIVE DATE. This section is effective for appointments made on or after July 1, 2024.

Sec. 11. Laws 2023, chapter 55, article 1, section 36, subdivision 13, is amended to read:

Subd. 13. **Emergency medical training.** (a) For grants to offer high school students courses in emergency medical services:

$500,000	. . . . .	2024
$ ~~500,000~~ 750,000	. . . . .	2025

(b) A school district, charter school, or cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant under this section to offer enrolled students emergency medical services courses approved by the Minnesota Emergency Medical Services Regulatory Board to prepare students to take the emergency medical technician certification test, including an emergency medical services course that is a prerequisite to an emergency medical technician course.

(c) A grant recipient may use grant funds to partner with a district, charter school, cooperative unit, postsecondary institution, political subdivision, or entity with expertise in emergency medical services, including health systems, hospitals, ambulance services, and health care providers to offer an emergency medical services course.

(d) Eligible uses of grant funds include teacher salaries, transportation, equipment costs, emergency medical technician certification test fees, and student background checks.

(e) To the extent practicable, the commissioner must award at least half of the grant funds to applicants outside of the seven-county metropolitan area, and at least 30 percent of the grant funds to applicants with high concentrations of students of color.

(f) Any balance in the first year does not cancel but is available in the second year.

(g) Up to $50,000 each year is available for grant administration.

(h) Of the amount in fiscal year 2025 only, $250,000 is for a grant to Independent School District No. 742, St. Cloud, for an emergency medical services education facility suitable for coursework in emergency medical services. For the project under this paragraph, eligible uses of grant funds include any design and construction costs and remodeling costs necessary to prepare the education facility in addition to the eligible uses under paragraph (d). Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, in addition to the amount under paragraph (g), up to three percent of the amount in this paragraph is available for grant administration.

(i) The base for fiscal year 2026 and later is $500,000.

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

Sec. 12. Laws 2023, chapter 55, article 2, section 61, subdivision 4, is amended to read:

Subd. 4. **Computer science educator training and capacity building.** (a) The Department of Education shall develop and implement, or award grants or subcontract with eligible entities, for the development and implementation of high-quality, coordinated teacher recruitment and educator training programs for computer science courses and content as defined in subdivision 1 ~~and~~ or aligned to the state strategic plan as developed under subdivision 3.

(b) For the purposes of this subdivision, eligible entities include:

(1) local educational agencies or a consortium of local educational agencies in the state; ~~and~~ or

(2) high-quality computer science professional learning providers, including institutions of higher education in the state that are reasonably accessible geographically to all Minnesota educators, nonprofits, other state-funded entities, or private entities working in partnership with a consortium of local educational agencies.

(c) For purposes of this subdivision, eligible uses of funding include:

(1) high-quality professional learning opportunities for kindergarten through grade 12 computer science content that:

(i) are created and delivered in a consistent manner across the state;

(ii) are made available with no out-of-pocket expenses to educators, including teachers, counselors, administrators, and other district employees as approved by the Department of Education, schools, and school districts;

(iii) are made available asynchronously online, in person, and online or hybrid as determined appropriate by the Department of Education; and

(iv) include introductory, intermediate, and advanced trainings aligned to the kindergarten through grade 12 academic standards or, as necessary, other standards approved by the Department of Education, specified for each of the grade bands kindergarten through grade 2, grades 3 to 5, grades 6 to 8, and grades 9 to 12;

(2) professional learning opportunities for educators of students in grades 9 to 12 that may include trainings for advanced placement, international baccalaureate, and concurrent enrollment credit computer science courses;

(3) travel expenses for kindergarten through grade 12 computer science teachers:

(i) for attending training opportunities under clauses (1) and (2); and

(ii) deemed appropriate and approved by the commissioner of education, or the commissioner of education's designee;

(4) any future credentialing for kindergarten through grade 12 computer science teachers, including Career and Technical Education and academic endorsements;

(5) supports for kindergarten through grade 12 computer science professional learning, including mentoring and coaching;

(6) creation and deployment of resources to promote training opportunities and recruitment of kindergarten through grade 12 computer science teachers;

(7) creation or purchase of resources to support implementation approved by the commissioner of education, or the commissioner of education's designee;

(8) creation and deployment of resources to promote learning opportunities or recruit students to engage in the learning opportunities;

(9) development of teacher credentialing programs;

(10) planning for districts to implement or expand computer science education opportunities; ~~and~~ or

(11) employment, or grant for employment, of personnel or contractors to oversee the statewide initiative, develop programs and trainings, and deliver training opportunities under clause (1).

(d) As a condition of receiving any funding through grants or subcontracts, eligible entities must submit an application to the Department of Education. The application must, at a minimum, address how the entity will:

(1) reach new and existing teachers with little to no computer science background;

(2) attract and support educators from schools that currently do not have established computer science education programs;

(3) use research- or evidence-based practices for high-quality professional development;

(4) focus the professional learning on the conceptual foundations of computer science;

(5) reach and support subgroups underrepresented in computer science;

(6) provide teachers with concrete experience through hands-on, inquiry-based practices;

(7) accommodate the particular teacher and student needs in each district and school; and

(8) ensure that participating districts begin offering computer science courses or computer science content as part of another course within the same or subsequent school year after the teacher receives the professional learning.

(e) The Department of Education shall prioritize the following applications:

(1) local educational agencies or consortiums of local educational agencies that are working in partnership with providers of high-quality professional learning for kindergarten through grade 12 computer science;

(2) proposals that describe strategies to increase computer science participation or enrollment overall, including but not limited to subgroups of students that are traditionally underrepresented in computer science; and

(3) proposals from rural or urban areas with a low penetration of kindergarten through grade 12 computer science offerings, including local education consortiums within these areas.

(f) The award recipient shall report, for all funding received under this section annually, at a minimum:

(1) the number of teachers:

(i) trained within each elementary, middle, and high school; and

(ii) trained within trainings offered as outlined in paragraph (c), clause (1), item (iv);

(2) the number of trainings offered in advanced placement, international baccalaureate, and concurrent enrollment credit computer science courses; and

(3) the number of teachers, and percentage of teachers trained, that started implementing computer science courses limited to middle and high school implementation.

(g) The Department of Education shall make these reports public. The publicly released data shall not include student-level personally identifiable information.

Sec. 13. Laws 2023, chapter 55, article 2, section 64, subdivision 2, as amended by Laws 2024, chapter 81, section 8, is amended to read:

Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid under Minnesota Statutes, section 124D.862:

$82,818,000	. . . . .	2024
$ ~~84,739,000~~ 85,043,000	. . . . .	2025

(b) The 2024 appropriation includes $8,172,000 for 2023 and $74,646,000 for 2024.

(c) The 2025 appropriation includes $8,294,000 for 2024 and ~~$76,445,000~~ $76,749,000 for 2025.

Sec. 14. Laws 2023, chapter 55, article 2, section 64, subdivision 9, is amended to read:

Subd. 9. **Computer science education advancement.** (a) For computer science advancement:

$500,000	. . . . .	2024
$500,000	. . . . .	2025

(b) Of this amount, $150,000 is for the computer science supervisor.

(c) For fiscal year 2025 only, $50,000 must be transferred to the Professional Educator Licensing and Standards Board for computer science teacher licensure activities.

~~(c)~~ (d) Eligible uses of the appropriation include expenses related to the implementation of article 2, section 61, ~~and~~ or expenses related to the development, advancement, and promotion of kindergarten through grade 12 computer science education.

~~(d)~~ (e) Any balance in the first year does not cancel and is available in the second year.

Sec. 15. Laws 2023, chapter 55, article 2, section 64, subdivision 14, is amended to read:

Subd. 14. **Ethnic studies school grants.** (a) For competitive grants to school districts and charter schools to develop, evaluate, and implement ethnic studies courses:

$700,000	. . . . .	2024
$700,000	. . . . .	2025

(b) The commissioner must consult with the Ethnic Studies Working Group to develop criteria for the grants.

(c) Up to five percent of the appropriation is available for grant administration.

(d) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 16. Laws 2023, chapter 55, article 2, section 64, subdivision 16, is amended to read:

Subd. 16. **Full-service community schools.** (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

$7,500,000	. . . . .	2024
$7,500,000	. . . . .	2025

(b) Of this amount, priority must be given to programs in the following order:

(1) current grant recipients issued under Minnesota Statutes, section 124D.231;

(2) schools identified as low-performing under the federal Every Student Succeeds Act; and

(3) any other applicants.

(c) Up to two percent of the appropriation is available for grant administration.

(d) The base for fiscal year 2026 and later is $5,000,000.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 17. Laws 2023, chapter 55, article 2, section 64, subdivision 26, is amended to read:

Subd. 26. **Minnesota Council on Economic Education.** (a) For a grant to the Minnesota Council on Economic Education:

$200,000	. . . . .	2024
$200,000	. . . . .	2025

(b) The grant must be used to:

(1) provide professional development to kindergarten through grade 12 teachers implementing state graduation standards in learning areas related to economic education; and

(2) support the direct-to-student ancillary economic and personal finance programs that teachers supervise and coach.

(c) By February 15 of each year following the receipt of a grant, the Minnesota Council on Economic Education must report to the commissioner of education the number and type of in-person and online teacher professional development opportunities provided by the Minnesota Council on Economic Education or its affiliated state centers. The report must include a description of the content, length, and location of the programs; the number of preservice and licensed teachers receiving professional development through each of these opportunities; and summaries of evaluations of teacher professional opportunities.

(d) ~~The Department of Education must pay the full amount of the grant to the Minnesota Council on Economic Education by August 15 of each fiscal year for which the grant is appropriated.~~ The Minnesota Council on Economic Education must submit its fiscal reporting in the form and manner specified by the commissioner. The commissioner may request additional information as necessary.

(e) Any balance in the first year does not cancel but is available in the second year.

(f) The base for fiscal year 2026 and later is $0.

Sec. 18. Laws 2023, chapter 55, article 2, section 64, subdivision 31, is amended to read:

Subd. 31. **Nonexclusionary discipline.** (a) For grants to school districts and charter schools to provide training for school staff on nonexclusionary disciplinary practices:

$1,750,000	. . . . .	2024
$1,750,000	. . . . .	2025

(b) Grants are to develop training and to work with schools to train staff on nonexclusionary disciplinary practices that maintain the respect, trust, and attention of students and help keep students in classrooms. These funds may also be used for grant administration.

(c) Eligible grantees include school districts, charter schools, intermediate school districts, and cooperative units as defined in section 123A.24, subdivision 2.

(d) Up to five percent of the appropriation is available for grant administration.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 19. Laws 2023, chapter 55, article 2, section 64, subdivision 33, is amended to read:

Subd. 33. **P-TECH schools.** (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

$791,000	. . . . .	2024
$ ~~791,000~~ 0	. . . . .	2025

(b) The amounts in this subdivision are for grants, including to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) ~~Any balance in the first year does not cancel but is available in the second year~~ This appropriation is available until June 30, 2025. The base for fiscal year 2026 and later is $0.

(d) Up to five percent of the fiscal year 2024 appropriation is available for grant administration.

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

Sec. 20. **ALTERNATIVE TO PUBLISHING.**

(a) Notwithstanding any law to the contrary, when a qualified newspaper designated by a school district ceases to exist for any reason except consolidation with another newspaper, the school district may publish its proceedings on the school district's website instead of publishing the proceedings in a newspaper. The school district must also request that the same information be posted at each public library located within the school district for the notice's publication period. This section expires August 1, 2026.

(b) If, before August 1, 2026, there is a newspaper located within a school district's boundaries that is qualified to be designated as the school district's official newspaper pursuant to Minnesota Statutes, section 331A.04, then the exemption provided in this section shall not apply, provided that the qualified newspaper's legal rate is not more than ten percent above the rate charged by the school district's previous official newspaper and the qualified newspaper provides some coverage of the activities of the school district that is publishing the notice.

Sec. 21. **HEALTH EDUCATION STANDARDS.**

Subdivision 1. **Statewide standards.** The commissioner of education must begin the rulemaking process to adopt statewide academic standards in health in accordance with Minnesota Statutes, chapter 14 and section 120B.021. The commissioner must consult with the commissioner of health and the commissioner of human services in developing the proposed rules. The rules must include at least the expectations for student learning listed in subdivision 2, and may include the expectations in subdivision 3, in addition to other expectations for learning identified through the standards development process.

Subd. 2. **Required health-related subject areas.** The commissioner must include the following expectations for learning in the statewide standards:

(1) cardiopulmonary resuscitation and automatic external defibrillator education that allows districts to provide instruction to students in grades 7 through 12 in accordance with Minnesota Statutes, section 120B.236;

(2) vaping awareness and prevention education that allows districts to provide instruction to students in grades 6 through 8 in accordance with Minnesota Statutes, section 120B.238, subdivision 3;

(3) cannabis use and substance use education that allows districts to provide instruction to students in grades 6 through 12 in accordance with Minnesota Statutes, section 120B.215;

(4) sexually transmitted infections and diseases education that meets the requirements of Minnesota Statutes, section 121A.23; and

(5) mental health education for students in grades 4 through 12.

Subd. 3. **Other health-related subject areas.** The commissioner may include the following expectations for learning in the statewide standards:

(1) child sexual abuse prevention education in accordance with Minnesota Statutes, sections 120B.021, subdivision 1, paragraph (d); and 120B.234;

(2) violence prevention education in accordance with Minnesota Statutes, section 120B.22;

(3) character development education in accordance with Minnesota Statutes, section 120B.232;

(4) safe and supportive schools education in accordance with Minnesota Statutes, section 121A.031, subdivision 5; and

(5) other expectations for learning identified through the standards development process.

Sec. 22. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Civic education grants.** (a) For grants to the YMCA Youth in Government program and the YMCA Center for Youth Voice program to support civic education programs for youth age 18 and under by providing teacher professional development, educational resources, and program support:

$150,000 2025

(b) The Youth in Government and Center for Youth Voice programs must instruct students in:

(1) the constitutional principles and the democratic foundation of our national, state, and local institutions; and

(2) the political processes and structures of government, grounded in the understanding of constitutional government and individual rights.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the appropriation is available for grant administration.

(d) This is a onetime appropriation.

Subd. 3. **Minnesota Youth Council.** (a) For a grant to the Minnesota Alliance With Youth for the activities of the Minnesota Youth Council:

$375,000 2025

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the appropriation is available for grant administration.

(c) This is a onetime appropriation and is available until June 30, 2026.

Subd. 4. **Rulemaking.** (a) For rulemaking and administrative costs related to health education standards:

$627,000 2025

(b) This is a onetime appropriation and is available until June 30, 2027.

Subd. 5. **P-TECH schools.** (a) For P-TECH implementation grants under Minnesota Statutes, section 124D.093, subdivision 5:

$791,000 2025

(b) The amount in paragraph (a) is for a grant to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the department may retain money from this appropriation for administrative costs under Minnesota Statutes, section 124D.093, subdivision 5.

(d) This appropriation is available until June 30, 2027.

(e) The department may award start-up and mentoring and technical assistance grants beginning in fiscal year 2026. The base for fiscal year 2026 is $791,000, of which at least $500,000 is for a support grant to a public-private partnership that includes Independent School District No. 535, Rochester. The base for fiscal year 2027 and later is $791,000, of which at least $250,000 is for a support grant to a public-private partnership that includes Independent School District No. 535, Rochester.

ARTICLE 3
THE READ ACT

Section 1. Minnesota Statutes 2023 Supplement, section 120B.124, subdivision 1, is amended to read:

Subdivision 1. **Resources.** (a) The Department of Education must partner with CAREI for two years beginning July 1, 2023, until August 30, 2025, to support implementation of the Read Act. The department and CAREI must jointly:

(1) identify at least five literacy curricula and supporting materials that are evidence-based or focused on structured literacy by January 1, 2024, and post a list of the curricula on the department website. The list must include curricula that use culturally and linguistically responsive materials that reflect diverse populations and~~, to the extent practicable,~~ curricula that reflect the experiences of students from diverse backgrounds, including multilingual learners, biliterate students, and students who are Black, Indigenous, and People of Color. A district that purchases an approved curriculum before the cultural responsiveness review is completed is encouraged to work with the curriculum's publisher to obtain updated materials that are culturally and linguistically responsive and reflect diverse populations. A district is not required to use an approved curriculum~~, unless the curriculum was purchased with state funds that require a curriculum to be selected from a list of approved curricula~~;

(2) identify at least three professional development programs that focus on the five pillars of literacy and the components of structured literacy by August 15, 2023, subject to final approval by the department. The department must post a list of the programs on the department website. The programs may include a program offered by CAREI. The requirements of section 16C.08 do not apply to the selection of a provider under this section;

(3) identify evidence-based literacy intervention materials for students in kindergarten through grade 12;

(4) develop an evidence-based literacy lead training and coaching program that trains and supports literacy specialists throughout Minnesota to support schools' efforts in screening, measuring growth, monitoring progress, and implementing interventions in accordance with subdivision 1. Literacy lead training must include instruction on how to train paraprofessionals and volunteers that provide Tier 2 interventions on evidence-based literacy intervention;

(5) identify measures of foundational literacy skills and mastery that a district must report on a local literacy plan;

(6) provide guidance to districts about best practices in literacy instruction, and practices that are not evidence-based;

(7) develop MTSS model plans that districts may adopt to support efforts to screen, identify, intervene, and monitor the progress of students not reading at grade level; ~~and~~

(8) ensure that teacher professional development options and MTSS framework trainings are geographically equitable by supporting trainings through the regional service cooperatives~~.~~;

(9) develop a coaching and mentorship program for certified trained facilitators based on the previously approved trainings; and

(10) identify at least 15 evidence-based literacy intervention models by November 1, 2025, and post a list of the interventions on the department website. A district is not required to use an approved intervention model.

(b) The department must contract with a third party to develop culturally and linguistically responsive supplemental materials and guidance for the approved literacy curricula to meet the culturally and linguistically responsive standards under paragraph (a), clause (1).

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 120B.124, is amended by adding a subdivision to read:

Subd. 4. **Volunteer and paraprofessional training.** (a) The department and CAREI must develop and provide training on evidence-based literacy interventions for the following unlicensed persons that regularly provide Tier 2 interventions to students in Minnesota districts:

(1) paraprofessionals and other unlicensed school staff; and

(2) volunteers, contractors, and other persons not employed by Minnesota districts.

(b) The regional literacy networks must develop and provide training on evidence-based literacy interventions consistent with paragraph (a).

(c) CAREI and the regional literacy networks must collaborate to ensure that training provided by CAREI and the regional literacy networks is consistent across providers. The trainings must not exceed eight hours. The trainings must be based on approved training developed for teachers, and must include a train the trainer component to enable literacy leads to provide the training to paraprofessionals and volunteers. CAREI and the regional literacy networks must provide the trainings at no cost to paraprofessionals and other unlicensed school staff who regularly provide Tier 2 interventions to students in Minnesota districts.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 124D.98, subdivision 5, is amended to read:

Subd. 5. **Literacy incentive aid uses.** A school district must use its literacy incentive aid to support implementation of evidence-based reading instruction. The following are eligible uses of literacy incentive aid:

(1) training for kindergarten through grade 3 teachers, early childhood educators, special education teachers, reading intervention teachers working with students in kindergarten through grade 12, curriculum directors, and instructional support staff that provide reading instruction, on using evidence-based screening and progress monitoring tools;

(2) evidence-based training using a training program approved by the Department of Education under the Read Act;

(3) employing or contracting with a literacy lead, as defined in section ~~120B.1118~~ 120B.119;

(4) employing an intervention specialist;

~~(4)~~ (5) approved screeners, materials, training, and ongoing coaching to ensure reading interventions under section 125A.56, subdivision 1, are evidence-based; ~~and~~

~~(5)~~ (6) costs of substitute teachers to allow teachers to complete required training during the teachers' contract day~~.~~; and

(7) stipends for teachers completing training required under section 120B.12.

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

Sec. 4. Laws 2023, chapter 55, article 3, section 11, subdivision 3, is amended to read:

Subd. 3. **Read Act ~~curriculum and intervention materials reimbursement~~ literacy aid.** (a) ~~To reimburse~~ For state aid for school districts, charter schools, and cooperative units for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy:

$35,000,000	. . . . .	2024

~~(b) The commissioner must use this appropriation to reimburse school districts, charter schools, and cooperatives for approved evidence-based structured literacy curriculum and supporting materials, and intervention materials purchased after July 1, 2021. An applicant must apply for the reimbursement in the form and manner determined by the commissioner.~~

~~(c) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the districts, charter schools, and cooperative units that receive literacy grants and the amounts of each grant, by January 15, 2025, according to Minnesota Statutes, section 3.195.~~

(b) The aid amount for each school district, charter school, and cooperative unit providing direct instructional services equals the greater of $2,000 or $39.94 times the number of students served by the school district, charter school, or cooperative as determined by the fall 2023 enrollment count of students.

(c) A school district, charter school, or cooperative unit must place any aid received under this subdivision in a reserved account in the general fund. Aid in the reserved account must be used to implement requirements under the Read Act or for literacy incentive aid uses under Minnesota Statutes, section 124D.98, subdivision 5.

~~(d) A school district, charter school, or cooperative unit must purchase curriculum and instructional materials that reflect diverse populations.~~

~~(e)~~ (d) Of this amount, up to $250,000 is available for ~~grant~~ administration.

~~(f)~~ (e) This is a onetime appropriation and is available until June 30, ~~2028~~ 2025.

(f) This aid is 100 percent payable in fiscal year 2025.

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

Sec. 5. Laws 2023, chapter 55, article 3, section 11, subdivision 4, is amended to read:

Subd. 4. **Read Act professional development.** (a) For evidence-based training on structured literacy for teachers working in school districts, charter schools, and cooperatives:

$34,950,000	. . . . .	2024
$ ~~0~~ 4,000,000	. . . . .	2025

(b) Of the amount for fiscal year 2024 in paragraph (a), $18,000,000 is for the Department of Education and the regional literacy networks and $16,700,000 is for statewide training. The department must use the funding to develop a data collection system to collect and analyze the submission of the local literacy plans and student-level universal screening data, to establish the regional literacy networks as a partnership between the department and the Minnesota service cooperatives, and to administer statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional literacy networks and the department. The regional literacy networks must focus on implementing comprehensive literacy reform efforts based on structured

literacy. Each regional literacy network must add a literacy lead position and establish a team of trained literacy coaches to facilitate evidence-based structured literacy training opportunities and ongoing supports to school districts and charter schools in each of their regions. The amount in fiscal year 2025 is for statewide training. Funds appropriated under this subdivision may also be used to provide training in structured literacy to fourth and fifth grade classroom teachers and literacy professors from Minnesota institutions of higher education.

(c) Of the amount in paragraph (a), $250,000 in fiscal year 2024 only is for administration.

(d) If funds remain unspent on July 1, 2026, the commissioner must expand eligibility for approved training to include principals and other district, charter school, or cooperative administrators.

(e) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved structured literacy training using funds under this subdivision, and the amounts awarded to districts, charter schools, or cooperatives.

(f) The regional literacy networks and staff at the Department of Education must provide ongoing support to school districts, charter schools, and cooperatives implementing evidence-based literacy instruction.

(g) This appropriation is available until June 30, 2028. The base for fiscal year 2026 and later is $7,750,000, of which $6,500,000 is for the regional literacy networks and $1,250,000 is for statewide training.

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

Sec. 6. **READ ACT DEAF, DEAFBLIND, AND HARD OF HEARING WORKING GROUP.**

Subdivision 1. **Working group purpose.** The Department of Education must establish a working group to make recommendations on literacy training, screeners, and curriculum for students who cannot fully access sound-based approaches such as phonics.

Subd. 2. **Members.** The Department of Education must appoint representatives from the Center for Applied Research and Educational Improvement at the University of Minnesota; the Minnesota Commission of the Deaf, Deafblind and Hard of Hearing; the Minnesota State Academies; Metro Deaf School; intermediate school districts; regional low-incidence facilitators; a Deaf and Hard of Hearing teacher licensure preparation program in Minnesota approved by the Professional Educator Licensing and Standards Board; and teachers of students who are deaf, deafblind, or hard of hearing.

Subd. 3. **Report.** The working group must review curriculum, screeners, and training approved under the Read Act and make recommendations for adapting curriculum, screeners, and training available to districts, charter schools, teachers, and administrators to meet the needs of students and educators who cannot fully access sound-based approaches. The report must address how approved curriculum, screeners, and training may be modified and identify resources for alternatives to sound-based approaches. The working group must post its report on the Department of Education website, and submit the report to the legislative committees with jurisdiction over kindergarten through grade 12 education no later than January 15, 2025.

Subd. 4. **Administrative provisions.** (a) The commissioner, or the commissioner's designee, must convene the initial meeting of the working group. At the first meeting, the department must provide members of the working group information on structured literacy and the curriculum, screeners, and training approved under the Read Act.

(b) Members of the working group are eligible for per diem compensation as provided under Minnesota Statutes, section 15.059, subdivision 3. The working group expires January 16, 2025, or upon submission of the report to the legislature under subdivision 3, whichever is earlier.

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

Sec. 7. **TEACHER COMPENSATION FOR READ ACT TRAINING.**

Subdivision 1. **Funding uses.** (a) For purposes of this section, "district" means a school district, charter school, or cooperative unit providing direct instructional services.

(b) A district must use the funding appropriated under this section only to compensate eligible teachers for completing approved training required under the Read Act. Notwithstanding Minnesota Statutes, section 179A.20, subdivision 3, a district must enter into a memorandum of understanding with the exclusive representative of teachers in the district that provides how funding under this section may be used. Compensation of eligible teachers may include but is not limited to:

(1) stipends;

(2) payments based on a teacher's regular hourly rate of pay and the number of hours necessary to complete the approved training; and

(3) full or partial reimbursement for training in structured literacy that was paid for by the teacher, and later approved under the Read Act.

(c) If a district's teachers are not represented by an exclusive representative, the district may adopt a plan to compensate teachers for completing approved training required under the Read Act in accordance with this section after consulting with its teachers.

Subd. 2. **Reserve account.** A district must reserve aid provided to compensate teachers for Read Act training and use the aid only for the purposes of this section.

Subd. 3. **Teacher eligibility.** A teacher is eligible for compensation under this section if the teacher:

(1) is currently employed by a district, or is currently contracted between a charter school and a teacher cooperative;

(2) is currently serving in a position that requires a license issued by the Professional Educator Licensing and Standards Board; and

(3) is required to receive approved training under Minnesota Statutes, section 120B.123, subdivision 5, and has registered for, started, or completed the approved training.

Subd. 4. **Administrative process.** (a) Within 30 days of entering into a memorandum of understanding or adopting a plan under subdivision 1, a district must pay the required compensation to an eligible teacher in accordance with the memorandum of understanding or plan.

(b) The Minnesota School Boards Association and Education Minnesota are encouraged to collaborate to develop one or more model memoranda of understanding and make the memoranda available to districts by July 1, 2024.

(c) The Bureau of Mediation Services must make mediators available to aid districts and exclusive representatives in reaching agreement on the memoranda of understanding required under this section.

Subd. 5. **Stipends not considered income for certain purposes.** (a) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B, and early learning scholarships under Minnesota Statutes, section 124D.165;

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

(3) housing support under Minnesota Statutes, chapter 256I;

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

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(b) The commissioner of human services must not consider a stipend under this section as income or assets when determining medical assistance eligibility under Minnesota Statutes, section 256B.055, subdivisions 7, 7a, and 12; or section 256B.057, subdivisions 3, 3a, 3b, and 4. The commissioner of human services must not include the stipend received under this section when calculating an individual's premiums under Minnesota Statutes, section 256B.057, subdivision 9.

EFFECTIVE DATE. This section is effective the day following final enactment, except for subdivision 5, paragraph (b), which is effective July 1, 2024, or upon federal approval, whichever is later.

Sec. 8. **APPROPRIATIONS; SUPPLEMENTAL READ ACT FUNDING.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education in the fiscal years designated.

Subd. 2. **Teacher compensation for Read Act training.** (a) For payment of state aid to school districts, charter schools, and cooperative units providing direct instructional services:

$31,375,000 2025

(b) The state aid for each school district, charter school, and cooperative unit providing direct instruction equals the greater of $2,000 or $36.06 times the number of students served by the school district, charter school, or cooperative unit as determined by the fall 2023 enrollment count of students. The Department of Education must send payments to school districts, charter schools, and cooperative units providing direct instructional services by October 15, 2024. This aid is 100 percent payable in fiscal year 2025.

(c) This is a onetime appropriation.

Subd. 3. **Culturally responsive materials.** (a) For the Department of Education to issue a request for proposals for a contract to develop supplemental culturally responsive materials for the approved evidence-based structured literacy curricula under Minnesota Statutes, section 120B.124, subdivision 1, paragraph (a), clause (1):

$1,000,000 2025

(b) The contractor must review all approved instructional and intervention materials to ensure they are culturally responsive within 90 days of receiving the materials from the Department of Education. The contractor must work with publishers to ensure materials are culturally responsive and provide districts with supplementary materials and guidance as needed.

(c) This is a onetime appropriation and is available until June 30, 2027.

Subd. 4. **Regional literacy network paraprofessional and volunteer training.** (a) For the regional literacy networks to develop training for paraprofessionals and volunteers that regularly provide Tier 2 literacy interventions to students in accordance with Minnesota Statutes, section 120B.124, subdivision 4:

$375,000 2025

(b) This is a onetime appropriation and is available until June 30, 2027.

Subd. 5. **CAREI paraprofessional and volunteer training.** (a) For CAREI to develop training for paraprofessionals and volunteers that regularly provide Tier 2 literacy interventions to students in accordance with Minnesota Statutes, section 120B.124, subdivision 4:

$375,000 2025

(b) This is a onetime appropriation and is available until June 30, 2027.

Subd. 6. **Read Act Deaf, Deafblind, and Hard of Hearing working group.** (a) For the Read Act Deaf, Deafblind, and Hard of hearing working group:

$100,000 2025

(b) This is a onetime appropriation and is available until June 30, 2027.

ARTICLE 4
AMERICAN INDIAN EDUCATION

Section 1. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 5, is amended to read:

Subd. 5. **Indigenous education for all students.** To support implementation of Indigenous education for all students, the commissioner must:

(1) provide historically accurate, Tribally endorsed, culturally relevant, community-based, contemporary, and developmentally appropriate resources. Resources to implement standards must include professional development and must demonstrate an awareness and understanding of the importance of accurate, high-quality materials about the histories, languages, cultures, and governments of local Tribes;

(2) provide resources to support all students learning about the histories, languages, cultures, governments, and experiences of their American Indian peers and neighbors. Resources to implement standards across content areas must be developed to authentically engage all students and support successful learning; and

(3) conduct a needs assessment by December 31, 2023. The needs assessment must fully inform the development of future resources for Indigenous education for all students by using information from American Indian Tribes and communities in Minnesota, including urban Indigenous communities, Minnesota's Tribal Nations Education Committee, schools and districts, students, and educational organizations. The commissioner must submit a report on the findings and recommendations from the needs assessment to the chairs and ranking minority members of legislative committees with jurisdiction over education; to the American Indian Tribes and communities in Minnesota, including urban Indigenous communities; and to all schools and districts in the state by February 1, 2024. The commissioner of education must consult with Tribal Nations located in Minnesota and Minnesota's Tribal Nations Education Committee about the need for additional funding necessary for each Tribal Nation located

in Minnesota to continue developing resources for Indigenous education for all students. By February 15, 2025, the commissioner must provide links to the materials developed by the Tribal Nations on its website and submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over education highlighting the materials that have been developed and documenting the need for additional resources. A consultation under this section does not replace or limit any consultation required under section 10.65.

Sec. 2. Minnesota Statutes 2023 Supplement, section 124D.81, subdivision 2b, is amended to read:

Subd. 2b. **Carry forward of funds.** Notwithstanding section 16A.28, if a school district or Tribal contract school does not expend the full amount of the American Indian education aid in accordance with the plan in the designated fiscal year, the school district or Tribal contract school may carry forward and expend up to half of the remaining funds in the ~~first six months of the~~ following fiscal year, and is not subject to an aid reduction if:

(1) the district is otherwise following the plan submitted and approved under subdivision 2;

(2) the American Indian Parent Advisory Committee for the school is aware of and has approved the carry forward and has concurred with the district's educational offerings extended to American Indian students under section 124D.78;

(3) the funds carried over are used in accordance with section 124D.74, subdivision 1; and

(4) by April 1, the district reports to the Department of Education American Indian education director the reason the aid was not expended in the designated fiscal year, and describes how the district intends to expend the funds in the following fiscal year. The district must report this information in the form and manner determined by the commissioner.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 3. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. **Permanent school fund supplemental aid.** (a) For permanent school fund supplemental aid to American Indian schools as defined under Minnesota Statutes, section 124D.73:

$40,000 2025

(b) For fiscal year 2025 only, the permanent school fund supplemental aid for an American Indian school equals the product of:

(1) the amount appropriated under paragraph (a); and

(2) the ratio of (i) the fiscal year 2024 average daily membership served of the American Indian school, to (ii) the total fiscal year 2024 average daily membership served of all American Indian schools in the state.

(c) Aid under this subdivision must be paid 100 percent in the current year on a schedule determined by the commissioner.

(d) This is a onetime appropriation.

ARTICLE 5
TEACHERS

Section 1. Minnesota Statutes 2023 Supplement, section 121A.642, is amended to read:

121A.642 PARAPROFESSIONAL TRAINING.

Subdivision 1. **Training required.** (a) For purposes of this section, "school" means a school district ~~or,~~ charter school, intermediate school district, other cooperative unit, Perpich Center for Arts Education, or the Minnesota State Academies.

(b) A school must provide a minimum of eight hours of paid orientation or professional development annually to all paraprofessionals, Title I aides, and other instructional support staff.

(c) Six of the eight hours must be completed before the first instructional day of the school year or within 30 days of hire.

(d) The orientation or professional development must be relevant to the employee's occupation and may include collaboration time with classroom teachers and planning for the school year.

(e) For paraprofessionals who provide direct support to students, at least 50 percent of the professional development or orientation must be dedicated to meeting the requirements of this section. Professional development for paraprofessionals may also address the requirements of section 120B.363, subdivision 3.

(f) A school administrator must provide an annual certification of compliance with this requirement to the commissioner.

(g) For the 2024-2025 school year only, a school may reduce the hours of training required in paragraphs (b) to (e) to a minimum of six hours and must pay for paraprofessional test materials and testing fees for any paraprofessional employed by the school district during the 2023-2024 school year who has not yet successfully completed the paraprofessional assessment or met the requirements of the paraprofessional competency grid.

Subd. 2. **Reimbursement for paraprofessional training.** (a) Beginning in fiscal year 2025, the commissioner of education must reimburse ~~school districts, charter schools, intermediate school districts and other cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies~~ schools in the form and manner specified by the commissioner for paraprofessional training costs.

(b) The paraprofessional reimbursement equals the prior year compensation expenses associated with providing up to eight hours of paid orientation and professional development for each paraprofessional trained under subdivision 1. For purposes of this paragraph, "compensation expenses" means the sum of the following amounts attributable to the school's paraprofessionals:

(1) regular hourly wages;

(2) Federal Insurance Contributions Act (FICA) taxes under United States Code, title 26, chapter 21; and

(3) the employer share of retirement contributions required under chapter 352, 353, 354, or 354A.

(c) The commissioner may establish procedures to ensure that any costs reimbursed under this section are excluded from other school revenue calculations.

(d) For reimbursements paid in fiscal year 2026 only, the commissioner must reimburse a school for six hours of paraprofessional training required under subdivision 1, paragraph (b).

(e) In addition to the amounts under paragraph (d), for fiscal year 2026 only, the commissioner must pay each school an additional amount equal to 33.33 percent of the amount in paragraph (d). The school must use these funds either for paraprofessional test preparation and exam fees under subdivision 1, paragraph (g), or additional training under subdivision 1, paragraph (b).

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 122A.415, subdivision 4, is amended to read:

Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for a charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, equals $260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed $88,118,000 for fiscal year 2023; $88,461,000 for fiscal year 2024; ~~$88,461,000~~ $88,961,000 for fiscal year 2025; and $89,486,000 for fiscal year 2026 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals $3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 3. Minnesota Statutes 2022, section 122A.415, is amended by adding a subdivision to read:

Subd. 7. **Revenue reserved.** Revenue received under this section must be reserved and used only for the programs authorized under section 122A.414.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 4. Minnesota Statutes 2023 Supplement, section 122A.73, subdivision 2, is amended to read:

Subd. 2. **Grow Your Own district programs.** (a) A school district, charter school, Tribal contract school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant for a teacher preparation program that meets the requirements of paragraph (c) to establish a Grow Your Own pathway for adults to obtain their first professional teaching license. The grant recipient must use at least 80 percent of grant funds to provide tuition scholarships or stipends to enable ~~school district~~ grant recipient employees or community members affiliated with a ~~school district~~ grant recipient, who are of color or American Indian and who seek a teaching license, to participate in the teacher preparation program. Grant funds may also be used to pay for teacher licensure exams and licensure fees.

(b) A district using grant funds under this subdivision to provide financial support to teacher candidates may require a commitment as determined by the district to teach in the ~~district~~ school district, charter school, Tribal contract school, or cooperative unit for a reasonable amount of time that does not exceed five years.

(c) A grantee must partner with:

(1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;

(2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or

(3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 122A.73, subdivision 3, is amended to read:

Subd. 3. **Grants for programs serving secondary school students.** (a) A school district, ~~or~~ charter school, Tribal contract school, or cooperative unit may apply for grants under this section to offer other innovative programs that encourage secondary school students, especially students of color and American Indian students, to pursue teaching. To be eligible for a grant under this subdivision, an applicant must ensure that the aggregate percentage of secondary school students of color and American Indian students participating in the program is equal to or greater than the aggregate percentage of students of color and American Indian students in the school district, charter school, Tribal contract school, or cooperative unit.

(b) A grant recipient must use grant funds awarded under this subdivision for:

(1) supporting future teacher clubs or service-learning opportunities that provide middle and high school students with experiential learning that supports the success of younger students or peers and increases students' interest in pursuing a teaching career;

(2) developing and offering postsecondary enrollment options for "Introduction to Teaching" or "Introduction to Education" courses consistent with section 124D.09, subdivision 10, that meet degree requirements for teacher licensure;

(3) providing direct support, including wrap-around services, for students who are of color or American Indian to enroll and be successful in postsecondary enrollment options courses under section 124D.09 that would meet degree requirements for teacher licensure; or

(4) offering scholarships to graduating high school students who are of color or American Indian to enroll in board-approved undergraduate teacher preparation programs at a college or university in Minnesota or in an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

(c) The maximum grant award under this subdivision is $500,000. The commissioner may consider the number of participants a grant recipient intends to support when determining a grant amount.

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

Sec. 6. Minnesota Statutes 2022, section 122A.73, subdivision 4, is amended to read:

Subd. 4. **Grant procedure.** (a) ~~A district~~ An applicant must apply for a grant under this section in the form and manner specified by the commissioner. The commissioner must give priority to ~~districts~~ applicants with the highest total number or percentage of students who are of color or American Indian. To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between ~~districts~~ applicants in greater Minnesota and those in the Twin Cities metropolitan area.

(b) ~~For the 2022-2023 school year and later,~~ Grant applications for new and existing programs must be received by the commissioner no later than January 15 of the year prior to the school year in which the grant will be used. The commissioner must review all applications and notify grant recipients by March 15 or as soon as practicable of the anticipated amount awarded. If the commissioner determines that sufficient funding is unavailable for the grants, the commissioner must notify grant applicants by June 30 or as soon as practicable that there are insufficient funds.

~~(c) For the 2021-2022 school year, the commissioner must set a timetable for awarding grants as soon as practicable.~~

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 122A.77, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner of education must administer a grant program to develop a pipeline of trained, licensed Tier 3 or Tier 4 special education teachers. A school district, charter school, Tribal contract school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant under this section. An applicant must partner with:

(1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;

(2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not-for-profit, institution of higher education; or

(3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 122A.77, subdivision 2, is amended to read:

Subd. 2. **Grant uses.** (a) A grant recipient must use grant funds to support participants who are employed by the grant recipient ~~as either a paraprofessional or other unlicensed staff, or a teacher with a Tier 1 or Tier 2 license,~~ and demonstrate a willingness to be a special education teacher after completing the program.

(b) A grant recipient may use grant funds for:

(1) tuition assistance or stipends for participants;

(2) supports for participants, including mentoring, licensure test preparation, and technology support; or

(3) participant recruitment.

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

Sec. 9. **[123B.155] PAID LEAVE FOR SCHOOL CLOSURES.**

(a) A school district or charter school that alters its calendar due to a weather event, public health emergency, or any other circumstance must continue to pay the full wages for scheduled work hours and benefits of all school employees for full or partial day closures, if the district or charter school counts that day as an instructional day for any students in the district or charter school. School employees may be allowed to work from home to the extent practicable. Paid leave for an e-learning day is provided under section 120A.414, subdivision 6.

(b) Notwithstanding paragraph (a), a school district or charter school that alters the calendar of a school-age care program, school youth recreation and enrichment program, or general community education program due to a weather event, public health emergency, or any other circumstance, while collecting a fee for day of the closure, must continue to pay the full stipend or full wages for scheduled work hours and benefits of all employees in the school-age care program, school youth recreation and enrichment program, or general community education program.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 3, is amended to read:

Subd. 3. **Student support personnel aid.** (a) The initial student support personnel aid for a school district equals the greater of the student support personnel allowance times the adjusted pupil units at the district for the current fiscal year or $40,000. The initial student support personnel aid for a charter school equals the greater of the student support personnel allowance times the adjusted pupil units at the charter school for the current fiscal year or $20,000. Aid under this paragraph must be reserved in a fund balance that, beginning in fiscal year 2025, may not exceed the greater of the aid entitlement in the prior fiscal year or the fund balance in the prior fiscal year.

(b) The cooperative student support personnel aid for a school district that is a member of an intermediate school district or other cooperative unit that serves students equals the greater of the cooperative student support allowance times the adjusted pupil units at the district for the current fiscal year or $40,000. If a district is a member of more than one cooperative unit that serves students, the revenue must be allocated among the cooperative units. Aid under this paragraph must not exceed actual expenditures.

(c) The student support personnel allowance equals $11.94 for fiscal year 2024, $17.08 for fiscal year 2025, and $48.73 for fiscal year 2026 and later.

(d) The cooperative student support allowance equals $0.60 for fiscal year 2024, $0.85 for fiscal year 2025, and $2.44 for fiscal year 2026 and later.

~~(e) Notwithstanding paragraphs (a) and (b), the student support personnel aid must not exceed the district's, charter school's, or cooperative unit's actual expenditures.~~

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 11. Laws 2023, chapter 55, article 5, section 64, subdivision 3, as amended by Laws 2024, chapter 81, section 14, is amended to read:

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

$ ~~$~~ 88,706,000	. . . . .	2024
$ ~~$88,562,000~~ 89,012,000	. . . . .	2025

(b) The 2024 appropriation includes $8,824,000 for fiscal year 2023 and $79,882,000 for fiscal year 2024.

(c) The 2025 appropriation includes $8,875,000 for fiscal year 2024 and ~~$79,687,000~~ $80,137,000 for fiscal year 2025.

Sec. 12. Laws 2023, chapter 55, article 5, section 64, subdivision 5, is amended to read:

Subd. 5. **Closing educational opportunity gaps grants.** (a) To support schools in their efforts to close opportunity gaps under Minnesota Statutes, section 120B.113:

$3,000,000	. . . . .	2024
$3,000,000	. . . . .	2025

(b) The department may retain up to five percent of this appropriation to administer the grant program.

(c) The base for fiscal year 2026 and later is $0.

(d) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 13. Laws 2023, chapter 55, article 5, section 64, subdivision 13, is amended to read:

Subd. 13. **Statewide teacher mentoring program.** (a) For a statewide teacher induction and mentoring program:

$9,940,000	. . . . .	2024
$0	. . . . .	2025

(b) Funds may be used for:

(1) competitive grants to Minnesota regional partners, including institutions of higher education, regional service cooperatives, other district or charter collaboratives, and professional organizations, to provide mentoring supports for new teachers, on-the-ground training, technical assistance, and networks or communities of practice for local new teachers, districts, and charter schools to implement Minnesota's induction model;

(2) competitive grants to school districts to fund ~~Teacher of Record~~ mentorships to Tier 1 and Tier 2 special education teachers, including training and supervision; and

(3) contracts with national content experts and research collaboratives to assist in developing Minnesota's induction model, to provide ongoing training to mentors and principals, and to evaluate the program over time.

(c) Up to five percent of the appropriation is available for grant administration.

(d) This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 14. Laws 2023, chapter 55, article 5, section 64, subdivision 15, is amended to read:

Subd. 15. **Student support personnel workforce pipeline.** (a) For a grant program to develop a student support personnel workforce pipeline focused on increasing school psychologists, school nurses, school counselors, and school social workers of color and Indigenous providers, professional respecialization, recruitment, and retention:

$5,000,000	. . . . .	2024
$5,000,000	. . . . .	2025

(b) Of the amount in paragraph (a), $150,000 is for providing support to school nurses across the state.

(c) To the extent practicable, the pipeline grants must be used to support equal numbers of students pursuing careers as school psychologists, school nurses, school counselors, and school social workers.

(d) For grants awarded under this subdivision to school psychologists, the following terms have the meanings given:

(1) "eligible designated trainee" means an individual enrolled in a NASP-approved or APA-accredited school psychology program granting educational specialist certificates or doctoral degrees in school psychology;

(2) "practica" means an educational experience administered and evaluated by the graduate training program, with university and site supervision by appropriately credentialed school psychologists, to develop trainees' competencies to provide school psychological services based on the graduate program's goals and competencies relative to accreditation and licensure requirements; and

(3) "eligible employment" means a paid position within a school or local education agency directly related to the training program providing direct or indirect school psychology services. Direct services include assessment, intervention, prevention, or consultation services to students or their family members and educational staff. Indirect services include supervision, research and evaluation, administration, program development, technical assistance, or professional learning to support direct services.

(e) Grants awarded to school psychologists must be used for:

(1) the provision of paid, supervised, and educationally meaningful practica in a public school setting for an eligible designated trainee enrolled in a qualifying program within the grantee's institution;

(2) to support student recruitment and retention to enroll and hire an eligible designated trainee for paid practica in public school settings; and

(3) oversight of trainee practica and professional development by the qualifying institution to ensure the qualifications and conduct by an eligible designated trainee meet requirements set forth by the state and accrediting agencies.

(f) Upon successful completion of the graduate training program, grants awarded to school psychologists must maintain eligible employment within Minnesota for a minimum period of one-year full-time equivalent for each academic year of paid traineeship under the grant program.

(g) Up to $150,000 of the appropriation is available for grant administration.

(h) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 15. Laws 2023, chapter 55, article 5, section 64, subdivision 16, is amended to read:

Subd. 16. **Teacher residency program.** (a) For the teacher residency program that meets the requirements of Minnesota Rules, part 8705.2100, subpart 2, item D, subitem (5), unit (g):

$3,000,000	. . . . .	2024
$3,000,000	. . . . .	2025

(b) Up to three percent of the appropriation is available for grant administration.

(c) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

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

Sec. 16. Laws 2023, chapter 55, article 5, section 65, subdivision 3, is amended to read:

Subd. 3. **Collaborative urban and greater Minnesota educators of color grants.** (a) For collaborative urban and greater Minnesota educators of color competitive grants under Minnesota Statutes, section 122A.635:

$5,440,000	. . . . .	2024
$5,440,000	. . . . .	2025

(b) The board may retain up to $100,000 of the appropriation amount to monitor and administer the grant program.

(c) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

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

Sec. 17. Laws 2023, chapter 55, article 5, section 65, subdivision 6, is amended to read:

Subd. 6. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

$3,500,000	. . . . .	2024
$3,500,000	. . . . .	2025

(b) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

(c) The base for grants under Minnesota Statutes, section 122A.70, for fiscal year 2026 and later is $4,500,000, of which at least $3,500,000 each fiscal year is for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The board may retain up to three percent of the appropriation amount to monitor and administer the grant program.

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

Sec. 18. Laws 2023, chapter 55, article 5, section 65, subdivision 7, is amended to read:

Subd. 7. **Pathway preparation grants.** (a) For grants to support teachers holding a Tier 1 or Tier 2 license and seeking a Tier 3 or Tier 4 license:

$400,000	. . . . .	2024
$400,000	. . . . .	2025

(b) The following are eligible for grants under this subdivision:

(1) school districts;

(2) charter schools;

(3) service cooperatives; and

(4) partnerships between one or more teacher preparation providers, school districts, or charter schools.

(c) Grant funds must be used to support teachers holding a Tier 1 or Tier 2 license and seeking a Tier 3 or Tier 4 license through completion of a teacher preparation program or the licensure via portfolio process. A grant recipient must provide teachers holding a Tier 1 or Tier 2 license with professional development, mentorship, and coursework aligned to state standards for teacher licensure.

(d) The Professional Educator Licensing and Standards Board may collaborate with the Department of Education and the Office of Higher Education to administer the grant program.

(e) The board may retain up to three percent of the appropriation amount to monitor and administer the grant.

Sec. 19. **GRANT PROGRAM MODIFICATIONS AUTHORIZED.**

(a) The commissioner of education may allow a Grow Your Own pathway grant recipient to modify its program to align with statutory changes to Minnesota Statutes, section 122A.73, made under this act after the grant was awarded.

(b) The commissioner of education may allow a special education teacher pipeline grant recipient to modify its program to align with statutory changes to Minnesota Statutes, section 122A.77, made under this act after the grant was awarded.

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

Sec. 20. **STUDENT TEACHING STIPEND PILOT PROGRAM.**

Subdivision 1. **Pilot program established.** A pilot program is established to support student teachers placed in Minnesota school districts or charter schools to complete clinical experiences necessary to obtain Minnesota teaching licenses, and help policymakers determine how to reduce the financial burden of completing valuable clinical experiences and strengthen the pipeline of qualified teachers. The pilot program is effective for the 2024-2025 school year.

Subd. 2. **Participating teacher preparation program providers.** (a) The pilot program consists of the following teacher preparation program providers:

(1) St. Cloud State University;

(2) Bemidji State University;

(3) Minnesota State University, Mankato;

(4) Winona State University;

(5) Fond du Lac Tribal and Community College;

(6) the University of Minnesota-Duluth;

(7) the University of Minnesota-Crookston; and

(8) Augsburg University.

(b) A participating teacher preparation program provider must:

(1) determine the stipend amount based on the available funding and number of eligible student teachers;

(2) use the full amount of funding provided under this section to award each student teacher placed in a student teaching assignment a stipend of the same amount regardless of the student teacher's financial need or intended licensure area; and

(3) notify student teachers of their stipend amounts no later than 30 days before the student teacher is placed in a student teaching assignment.

Subd. 3. **Student teacher eligibility.** (a) A student teacher is eligible for a stipend through the pilot program if the student teacher:

(1) is enrolled in a teacher preparation program approved by the Professional Educator Licensing and Standards Board that requires at least 12 weeks of student teaching in order to be recommended for a Tier 3 teaching license;

(2) is placed in a Minnesota school district or charter school to complete required student teaching; and

(3) is meeting satisfactory academic progress as defined under Minnesota Statutes, section 136A.101, subdivision 10.

(b) A student teacher may receive a stipend under this section, and under Minnesota Statutes, section 136A.1274 or 136A.1275.

Subd. 4. **Stipends not considered income for certain purposes.** (a) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B, and early learning scholarships under Minnesota Statutes, section 124D.165;

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

(3) housing support under Minnesota Statutes, chapter 256I;

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

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(b) The commissioner of human services must not consider a stipend under this section as income or assets when determining medical assistance eligibility under Minnesota Statutes, section 256B.055, subdivisions 7, 7a, and 12; or section 256B.057, subdivisions 3, 3a, 3b, and 4. The commissioner of human services must not include the stipend received under this section when calculating an individual's premiums under Minnesota Statutes, section 256B.057, subdivision 9.

Subd. 5. **Professional Educator Licensing and Standards Board.** (a) The Professional Educator Licensing and Standards Board must develop and administer a survey to students who receive stipends through the pilot program, and interview a representative sample of student teachers who receive stipends. The surveys and interviews must seek information related to the impact of the stipend on the student teacher, whether the student teacher received any other stipends or compensation for student teaching, and other information relevant to development of a statewide paid student teaching program.

(b) The board must submit reports to the chairs and minority leaders of the legislative committees with jurisdiction over kindergarten through grade 12 education and higher education by February 1, 2025, and July 1, 2025, in accordance with Minnesota Statutes, section 3.195. Each report must identify the number of student teachers receiving stipends by teacher preparation program provider and the districts or charter schools where the student teachers were placed, and the amount each student teacher received under this section. The second report must also summarize the results of the surveys and interviews, and make recommendations for implementing a statewide paid student teacher program.

EFFECTIVE DATE. This section is effective July 1, 2024, except for subdivision 4, paragraph (b), which is effective July 1, 2024, or upon federal approval, whichever is later.

Sec. 21. **PARAPROFESSIONAL QUALIFICATIONS EXAMINED.**

(a) The Department of Education and the Professional Educator Licensing and Standards Board must collaboratively examine Minnesota's standards for paraprofessionals in consultation with at least the following:

(1) one representative each from at least two organizations representing paraprofessionals;

(2) one person representing the Minnesota Association of School Administrators; and

(3) one person representing the Minnesota Administrators for Special Education.

(b) By July 1, 2024, the agencies must announce their work plan to revise the paraprofessional qualifications under Minnesota Statutes, section 120B.363, and the qualifications used to determine eligibility for state special education aid calculations.

(c) The Professional Educator Licensing and Standards Board may revise Minnesota Rules, part 8710.9000. A paraprofessional may demonstrate competencies established in Minnesota Rules, part 8710.9000, subpart 4, as one way to meet the federal personnel qualifications required in Code of Federal Regulations, title 34, section 300.156.

(d) A paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 300.156, if the paraprofessional:

(1) has at least two years of college credits through an accredited institution of higher education, or an associate's degree or higher;

(2) has received a passing score on a formal assessment approved by the Department of Education; or

(3) meets the local assessment criteria established by the Department of Education.

(e) The Department of Education must revise the minimum passing score for the approved formal assessments.

(f) For the 2024-2025 school year only, a paraprofessional may be paid in whole or in part by funding under paragraph (g) if the paraprofessional:

(1) demonstrates the competencies established in Minnesota Rules, part 8710.9000, subpart 4, item D (competency 4: instructional content and practice) and item I (competency 9: academic instructional skills); or

(2) is enrolled in a ParaPro or Paraeducator training and testing program.

(g) For the 2024-2025 school year only, a school district or charter school may use state special education aid to continue to pay for staff in special education paraprofessional positions that meet qualifications under paragraph (f) only if those positions were filled by the district or charter school and paid with state special education aid in the 2023-2024 school year.

(h) For the 2024-2025 school year only, upon request from a paraprofessional employed by a school district, charter school, or cooperative unit providing direct instructional services, the school must provide administrative assistance to the paraprofessional when completing the competencies required under paragraph (d), clause (3), or paragraph (f).

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

Sec. 22. **TEACHER AND PARAPROFESSIONAL COMPENSATION WORKING GROUP.**

Subdivision 1. **Establishment; membership.** (a) The Teacher and Paraprofessional Compensation Working Group is established and consists of the following 22 members:

(1) one prekindergarten teacher;

(2) one elementary school teacher;

(3) one middle school teacher;

(4) one high school teacher;

(5) one physical education teacher;

(6) one vocal music or instrumental music teacher;

(7) one visual arts teacher;

(8) one library media specialist;

(9) one community education teacher;

(10) one teacher teaching in an alternative setting;

(11) one member working in a school setting with children from birth to age three;

(12) one special education teacher;

(13) four paraprofessionals working with elementary, middle, or high school students;

(14) two superintendents;

(15) one community education director;

(16) two school finance directors; and

(17) one member with expertise in school board governance.

(b) The members under paragraph (a), clauses (1) to (13), must be appointed by the Professional Educator Licensing and Standards Board. The members under paragraph (a), clauses (14) to (16), must be appointed by the Minnesota Board of School Administrators. The members under paragraph (a), clause (17), must be appointed by the Minnesota School Boards Association. To the extent practicable, each appointing authority must appoint members representing schools in regions across the state. All appointments must be made no later than September 1, 2024.

Subd. 2. **Duties; report.** (a) The working group is established to advise the legislature on strategies and recommendations to provide competitive compensation to teachers and paraprofessionals in Minnesota elementary, middle, and secondary schools.

(b) The working group must report its proposed strategies, recommendations, and draft legislation to the legislative committees with jurisdiction over prekindergarten through grade 12 education finance and policy by February 14, 2025. The report must be filed according to Minnesota Statutes, section 3.195.

(c) At a minimum, the report must:

(1) analyze data on the professional pay gap for Minnesota teachers;

(2) provide historical analysis on pay trends for Minnesota teachers;

(3) examine historical trends in total compensation for Minnesota teachers, including wages and salary, health insurance and other benefits, and pension benefits;

(4) examine historical trends in the tuition and opportunity costs of teacher preparation and student debt burdens; and

(5) collect and analyze data on the workloads and compensation of Minnesota education support professionals.

Subd. 3. **Meetings; compensation.** (a) The working group must convene its initial meeting no later than September 15, 2024, and must meet regularly thereafter.

(b) Members of the working group are eligible for per diem compensation as provided under Minnesota Statutes, section 15.059, subdivision 3.

Subd. 4. **Administrative provisions.** (a) The executive director of the Professional Educator Licensing and Standards Board or the executive director's designee must convene the initial meeting of the working group. Upon request of the working group, the executive director must provide meeting space and administrative services for the group. The members of the working group must elect a chair or cochairs from the members of the working group at the initial meeting.

(b) Upon request of the working group, the Professional Educator Licensing and Standards Board must provide information necessary for the working group to make its recommendations, including but not limited to information on teacher and paraprofessional qualifications, licensure, employment, assignment, and compensation.

Subd. 5. **Expiration.** The working group expires February 14, 2025, or upon submission of the report required under subdivision 2, whichever is earlier.

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

Sec. 23. **APPROPRIATION; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education in the fiscal year designated.

Subd. 2. **Special education apprenticeship programs.** (a) For grants to intermediate school districts for special education registered apprenticeship programs:

$1,030,000 2025

(b) The department must award grants of $250,000 each to Intermediate School Districts Nos. 287, 288, 916, and 917. The grant funds must be used for special education registered apprenticeship programs. Grant funds may be used for:

(1) program oversight and administrative costs of the intermediate school district and its partner higher education institution;

(2) stipends and tuition, fees, and other direct program costs incurred by apprentices;

(3) stipends for teachers serving as mentors; and

(4) the cost of substitute teachers.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to $30,000 of the appropriation is available for grant administration.

(d) This is a onetime appropriation and is available until June 30, 2027.

Sec. 24. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board in the fiscal years designated.

Subd. 2. **Paid student teaching pilot program.** (a) For the paid student teaching pilot program:

$6,543,000 2025

(b) Of the amount in paragraph (a), $4,868,000 is for transfer to the Board of Trustees of the Minnesota State Colleges and Universities. The Board of Trustees must allocate the funding among the following teacher preparation program providers in the amounts indicated:

(1) $929,000 for St. Cloud State University;

(2) $744,000 for Bemidji State University;

(3) $1,618,000 for Minnesota State University, Mankato;

(4) $1,570,000 for Winona State University; and

(5) $7,000 for Fond du Lac Tribal and Community College.

(c) Of the amount in paragraph (a), $1,218,000 is for transfer to the Board of Regents of the University of Minnesota to allocate to the following teacher preparation program providers in the amounts indicated:

(1) $1,115,000 for the University of Minnesota-Duluth; and

(2) $103,000 for the University of Minnesota-Crookston.

(d) Of the amount in paragraph (a), $317,000 is for Augsburg University.

(e) The Professional Educator Licensing and Standards Board may retain up to $140,000 to administer the pilot program, including administering surveys and completing required reports.

(f) This is a onetime appropriation and is available until June 30, 2026.

Subd. 3. **Teacher and paraprofessional compensation working group.** (a) For administration and per diem compensation for members of the teacher and paraprofessional compensation working group:

$150,000 2025

(b) This is a onetime appropriation.

Subd. 4. **Aspiring teachers of color scholarship program.** (a) For transfer to the commissioner of the Office of Higher Education for the aspiring teachers of color scholarship program under Laws 2021, First Special Session, chapter 2, article 2, section 45:

$1,000,000 2025

(b) The commissioner of the Office of Higher Education may use no more than four percent of the appropriation for program administration.

(c) This is a onetime appropriation.

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

ARTICLE 6
CHARTER SCHOOLS

Section 1. Minnesota Statutes 2023 Supplement, section 124E.13, subdivision 1, is amended to read:

Subdivision 1. **Leased space.** A charter school may lease space from: an independent or special school board; other public organization; private, nonprofit, nonsectarian organization; private property owner; or a sectarian organization if the leased space is constructed as a school facility. In all cases, the eligible lessor must also be the building owner. The commissioner must review and approve or disapprove ~~leases~~ lease aid applications in a timely manner to determine eligibility for lease aid under section 124E.22.

Sec. 2. Minnesota Statutes 2022, section 124E.22, is amended to read:

124E.22 BUILDING LEASE AID.

(a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purpose and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid in the form and manner prescribed by the commissioner. The commissioner must review and either approve or deny a lease aid application using at least the following criteria:

(1) the reasonableness of the price based on current market values;

(2) the extent to which the lease conforms to applicable state laws and rules; and

(3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. The commissioner must approve aid only for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve the charter school of its lease obligations at the time the charter contract is terminated or not renewed. The closure clause under item (ii) must not be constructed or construed to relieve the charter school of its lease obligations in effect before the charter contract is terminated or not renewed.

(b) A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs.

(c) The amount of annual building lease aid for a charter school shall not exceed the lesser of (1) 90 percent of the approved cost or (2) the product of the charter school building lease aid pupil units served for the current school year times $1,314.

(d) A charter school's building lease aid pupil units equals the sum of the charter school pupil units under section 126C.05 and the pupil units for the portion of the day that the charter school's enrolled students are participating in the Postsecondary Enrollment Options Act under section 124D.09 and not otherwise included in the pupil count under section 126C.05.

Sec. 3. Laws 2023, chapter 55, article 2, section 64, subdivision 6, as amended by Laws 2024, chapter 81, section 9, is amended to read:

Subd. 6. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

$91,457,000	. . . . .	2024
$ ~~94,578,000~~ 94,906,000	. . . . .	2025

(b) The 2024 appropriation includes $9,047,000 for 2023 and $82,410,000 for 2024.

(c) The 2025 appropriation includes $9,156,000 for 2024 and ~~$85,422,000~~ $85,750,000 for 2025.

ARTICLE 7
SPECIAL EDUCATION

Section 1. Minnesota Statutes 2022, section 124D.19, subdivision 8, is amended to read:

Subd. 8. **Program approval.** ~~To be eligible for revenue for the program for adults with disabilities, a program and budget must receive approval from the community education section in the department. Approval may be for five years. During that time, a board must report any significant changes to the department for approval. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. A request for approval~~ (a) Beginning July 1, 2024, and at least once every five years thereafter, a district's community education advisory council must review and approve the district's adults with disabilities program and submit a statement of assurances to the commissioner in the form and manner determined by the commissioner. The program must seek feedback from adults with disabilities and other community organizations providing services to adults with disabilities.

(b) Each school district with an adults with disabilities program must include ~~all of~~ at least the following information about its adults with disabilities program in its annual community education report under subdivision 14:

(1) a summary of the characteristics of the people ~~to be~~ served by the program;

(2) a description of the program services and activities;

(3) the most recent program budget ~~and amount of aid requested~~;

(4) a summary of the participation by adults with disabilities in developing the program;

(5) an assessment of the needs of adults with disabilities; and

(6) a description of cooperative efforts with community organizations.

EFFECTIVE DATE. This section is effective July 1, 2024, for plans developed on or after that date.

Sec. 2. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 26, is amended to read:

Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary in making a determination for eligibility for individualized education program and individualized family service plan services and for medical services identified in a recipient's individualized education program and individualized family service plan and covered under the medical assistance state plan. Covered services include occupational therapy, physical therapy, speech-language therapy, clinical psychological services, nursing services, school psychological services, school social work services, personal care assistants serving as management aides, assistive technology devices, transportation services, health assessments, and other services covered under the medical assistance state plan. Mental health services eligible for medical assistance reimbursement must be provided or coordinated through a children's mental health collaborative where a collaborative exists if the child is included in the collaborative operational target population. The provision or coordination of services does not require that the individualized education program be developed by the collaborative.

The services may be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity; physician's, advanced practice registered nurse's, or physician assistant's orders; documentation; personnel qualifications; and prior authorization requirements. The nonfederal share of costs for services provided under this subdivision is the responsibility of the local school district as provided in section 125A.74. Services listed in a child's individualized education program are eligible for medical assistance reimbursement only if those services meet criteria for federal financial participation under the Medicaid program.

(b) Approval of health-related services for inclusion in the individualized education program does not require prior authorization for purposes of reimbursement under this chapter. The commissioner may require physician, advanced practice registered nurse, or physician assistant review and approval of the plan not more than once annually or upon any modification of the individualized education program that reflects a change in health-related services.

(c) Services of a speech-language pathologist provided under this section are covered notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

(1) holds a masters degree in speech-language pathology;

(2) is licensed by the Professional Educator Licensing and Standards Board as an educational speech-language pathologist; and

(3) either has a certificate of clinical competence from the American Speech and Hearing Association, has completed the equivalent educational requirements and work experience necessary for the certificate or has completed the academic program and is acquiring supervised work experience to qualify for the certificate.

(d) Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.

(e) The commissioner shall develop and implement package rates, bundled rates, or per diem rates for special education services under which separately covered services are grouped together and billed as a unit in order to reduce administrative complexity.

(f) The commissioner shall develop a cost-based payment structure for payment of these services. Only costs reported through the designated Minnesota Department of Education data systems in distinct service categories qualify for inclusion in the cost-based payment structure. The commissioner shall reimburse claims submitted based on an interim rate, and shall settle at a final rate once the department has determined it. The commissioner shall notify the school district of the final rate. The school district has 60 days to appeal the final rate. To appeal the final rate, the school district shall file a written appeal request to the commissioner within 60 days of the date the final rate determination was mailed. The appeal request shall specify (1) the disputed items and (2) the name and address of the person to contact regarding the appeal.

(g) Effective July 1, 2000, medical assistance services provided under an individualized education program or an individual family service plan by local school districts shall not count against medical assistance authorization thresholds for that child.

(h) Nursing services as defined in section 148.171, subdivision 15, and provided as an individualized education program health-related service, are eligible for medical assistance payment if they are otherwise a covered service under the medical assistance program. Medical assistance covers the administration of prescription medications by a licensed nurse who is employed by or under contract with a school district when the administration of medications

is identified in the child's individualized education program. The simple administration of medications alone is not covered under medical assistance when administered by a provider other than a school district or when it is not identified in the child's individualized education program.

(i) ~~School social work~~ Services provided by a school social worker as described in paragraph (l) must be provided by a mental health professional as defined in section 245I.04, subdivision 2; a clinical trainee as defined in section 245I.04, subdivision 6, under the supervision of a mental health professional; or a mental health practitioner as defined in section 245I.04, subdivision 4, under the supervision of a mental health professional, ~~are~~ to be eligible for medical assistance ~~payment. A mental health practitioner performing school social work services under this section must provide services within the mental health practitioner's licensure scope of practice, if applicable, and within the mental health practitioner scope of practice under section 245I.04, subdivision 5~~ reimbursement. Services described in paragraph (l) must be provided within the provider's scope of practice as defined in section 245I.04, subdivisions 3, 5, and 7.

(j) Notwithstanding section 245I.10, subdivision 2, a special education evaluation~~,~~ and assessment for and within an individual family service plan or individualized education program~~, or individual family service plan~~ may be used to determine medical necessity ~~and eligibility for school social work services under paragraph (i) instead of a diagnostic assessment~~ for services described under paragraph (l). The special education evaluation and assessments for and within the individualized education program, or individual family service plan, that meet the requirements in section 245I.10, subdivisions 4, and 5 or 6, and that is completed by a licensed mental health professional or clinical trainee supervised by a licensed mental health professional can be used for determining medical necessity. In addition, for services that do not require a diagnosis using an assessment as defined in section 245I.10, subdivisions 4, and 5 or 6, the special education evaluation and assessments for and within the individualized education program, or individual family service plan, that provide an International Classification of Diseases diagnostic code and are completed by a licensed mental health professional or clinical trainee supervised by a licensed mental health professional can be used for determining medical necessity.

(k) A school social worker or school providing ~~mental health~~ services under paragraph ~~(i)~~ (l) is not required to be certified to provide children's therapeutic services and supports under section 256B.0943.

(l) Covered ~~mental health~~ services provided by a school social worker under this paragraph ~~(i) include but are not limited to~~ are:

~~(1) administering and reporting standardized measures;~~

~~(2) care coordination;~~

~~(3) children's mental health crisis assistance, planning, and response services;~~

(1) the explanation of findings as described in section 256B.0671, subdivision 4;

(2) psychotherapy for crisis as described in section 256B.0671, subdivision 11a;

~~(4)~~ (3) children's mental health clinical care consultation, as described in section 256B.0671, subdivision 7;

~~(5)~~ (4) dialectical behavioral therapy for adolescents, as described in section 256B.0671, subdivision 6;

~~(6) direction of mental health behavioral aides;~~

~~(7)~~ (5) family psychoeducation, as described in section 256B.0671, subdivision 5, which includes skill development, peer group sessions, and individual sessions. Notwithstanding section 256B.0671, subdivision 5, family psychoeducation services under this section may be delivered by a mental health practitioner as defined under section 245I.04, subdivision 4; and

~~(8)~~ (6) individual, family, and group psychotherapy~~;~~, as described in section 256B.0671, subdivision 11.

~~(9) mental health behavioral aide services;~~

~~(10) skills training; and~~

~~(11) treatment plan development and review.~~

EFFECTIVE DATE. This section is effective July 1, 2024, or upon federal approval, whichever is later.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.0671, is amended by adding a subdivision to read:

Subd. 11a. **Psychotherapy for crisis.** (a) Medical assistance covers psychotherapy for crisis when a recipient is in need of an immediate response due to an increase of mental illness symptoms that put the recipient at risk of one of the following:

(1) experiencing a life threatening mental health crisis;

(2) needing a higher level of care;

(3) worsening symptoms without mental health intervention;

(4) harm to self, others, or property damage; or

(5) significant disruption of functioning in at least one life area.

(b) "Psychotherapy for crisis" means treatment of a client to reduce the client's mental health crisis through immediate assessment and psychotherapeutic interventions. Psychotherapy for crisis must include:

(1) emergency assessment of the crisis situation;

(2) mental status exam;

(3) psychotherapeutic interventions to reduce the crisis; and

(4) development of a post-crisis plan that addresses the recipient's coping skills and community resources.

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

Sec. 4. Laws 2023, chapter 55, article 7, section 18, subdivision 4, as amended by Laws 2024, chapter 81, section 18, is amended to read:

Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.75:

$2,288,826,000	. . . . .	2024
$ ~~2,485,140,000~~ 2,486,181,000	. . . . .	2025

(b) The 2024 appropriation includes $229,860,000 for 2023 and $2,058,966,000 for 2024.

(c) The 2025 appropriation includes $289,842,000 for 2024 and ~~$2,195,298,000~~ $2,196,339,000 for 2025.

ARTICLE 8
SCHOOL FACILITIES

Section 1. Minnesota Statutes 2022, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not ~~initiate~~ enter into an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of $500,000 per school site if it has a capital loan outstanding, or $2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. ~~A facility addition, maintenance project, or remodeling project~~ New construction, expansion, or remodeling of an educational facility funded only with general education revenue, lease levy proceeds from an additional capital expenditure levy under section 126C.40, subdivision 1, capital facilities bond proceeds, or long-term facilities maintenance revenue is exempt from this provision. A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.71, subdivision 12, is amended to read:

Subd. 12. **Publication.** (a) At least 48 days but not more than ~~60~~ 70 days before a referendum for bonds under chapter 475 or solicitation of bids for a project that has received a positive or unfavorable review and comment under section 123B.70, the school board shall publish a summary of the commissioner's review and comment of that project in the legal newspaper of the district. The school board must hold a public meeting to discuss the commissioner's review and comment before ~~the~~ such a referendum for bonds. Supplementary information shall be available to the public. Where no such referendum for bonds is required, the publication and public meeting requirements of this subdivision shall not apply.

(b) The publication requirement in paragraph (a) does not apply to alternative facilities projects approved under section 123B.595.

Sec. 3. Minnesota Statutes 2023 Supplement, section 126C.40, subdivision 6, is amended to read:

Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, Independent School District No. 709, Duluth, or Independent School District No. 535, Rochester, if the district's desegregation plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) other districts eligible for revenue under section 124D.862 if the facility acquired under this subdivision is to be primarily used for a joint program for interdistrict desegregation and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

(g) Projects funded under this subdivision that require an expenditure in excess of $500,000 per school site if the school district has a capital loan outstanding, or $2,000,000 per school site if the school district does not have a capital loan outstanding, are subject to review and comment under section 123B.71, subdivision 8, in the same manner as other school construction projects. Provided no referendum for bonds is required, the school board must discuss the commissioner's determination of a review and comment and the district's approved achievement and integration plan findings at a regular or special school board meeting within 45 days of the commissioner's determination. A school board's failure to comply with the discussion requirement in this paragraph shall not otherwise affect the legality, validity, or binding nature of any school district action or obligation not subject to referendum.

Sec. 4. Laws 2023, chapter 55, article 8, section 19, subdivision 5, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

$1,000,000	. . . . .	2024
$1,000,000	. . . . .	2025

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to $75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

(f) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 5. Laws 2023, chapter 55, article 8, section 19, subdivision 6, as amended by Laws 2024, chapter 81, section 22, is amended to read:

Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

$107,905,000	. . . . .	2024
$ ~~107,630,000~~ 107,865,000	. . . . .	2025

(b) The 2024 appropriation includes $10,821,000 for 2023 and $97,084,000 for 2024.

(c) The 2025 appropriation includes $10,787,000 for 2024 and ~~$96,843,000~~ $97,078,000 for 2025.

ARTICLE 9
SCHOOL NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2023 Supplement, section 124D.111, subdivision 3, is amended to read:

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

(i) For purposes of this subdivision, "lunchroom furniture" means tables and chairs regularly used by pupils in a lunchroom from which they may consume milk, meals, or snacks in connection with school or community service activities.

EFFECTIVE DATE. This section is effective for fiscal year 2024 and later.

Sec. 2. **[127A.151] STATE SCHOOL LIBRARIAN.**

(a) The Department of Education must employ a state school librarian within the State Library Services Division of the department to provide technical assistance to licensed school library media specialists and licensed school librarians. The state school librarian must be or have been a licensed school library media specialist.

(b) The responsibilities of the state school librarian include but are not limited to providing advice and guidance in academic standards development and statewide library data collection from district and charter schools, and related activities. The state school librarian may provide advice and guidance to the Department of Education staff responsible for administering state library aid and monitoring district compliance. The state school librarian must support district and charter schools on issues of intellectual freedom, media and digital literacy, and growing lifelong readers. The state school librarian must share information about available grant funds and resources, work with the Professional Educator Licensing and Standards Board to support licensure acquisition, and support professional development for licensed school library media specialists and licensed school librarians.

Sec. 3. Minnesota Statutes 2022, section 127A.45, subdivision 12, is amended to read:

Subd. 12. **Payment percentage for certain aids.** One hundred percent of the aid for the current fiscal year must be paid for the following aids: reimbursement for enrollment options transportation~~,~~ according to sections 124D.03, subdivision 8, and 124D.09, subdivision 22, and chapter 124E~~; school lunch aid, according to section 124D.111;~~, and support services aid, for persons who are deaf, deafblind, and hard-of-hearing according to section 124D.57.

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

Sec. 4. Minnesota Statutes 2022, section 127A.45, subdivision 13, is amended to read:

Subd. 13. **Aid payment percentage.** Except as provided in subdivisions 11, 12, 12a, ~~and~~ 14, and 14a, each fiscal year, all education aids and credits in this chapter and chapters 120A, 120B, 121A, 122A, 123A, 123B, 124D, 124E, 125A, 125B, 126C, 134, and section 273.1392, shall be paid at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. For the purposes of this subdivision, a district's estimated entitlement for special education aid under section 125A.76 for fiscal year 2014 and later equals 97.4 percent of the district's entitlement for the current fiscal year. The final adjustment payment, according to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement.

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

Sec. 5. Minnesota Statutes 2022, section 127A.45, subdivision 14a, is amended to read:

Subd. 14a. **State nutrition programs.** Notwithstanding ~~subdivision~~ subdivisions 3 and 13, the state shall pay 100 percent of the aid for the current year according to sections 124D.111, 124D.1158, and 124D.118 based on submitted monthly vouchers showing meals and milk served.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 134.356, is amended by adding a subdivision to read:

Subd. 1a. **State school librarian.** In fiscal year 2026 and each fiscal year thereafter, the Department of Education may retain up to $130,000 of the amount appropriated for school library aid under this section for the costs of the state school librarian under section 127A.151. The aid for each school district and charter school under subdivision 1 must be reduced proportionately. The reduction in aid under this subdivision must be applied to the current year aid payment.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 134.356, is amended by adding a subdivision to read:

Subd. 3. **Report.** By January 15, 2025, and annually thereafter, the commissioner of education must report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education on how school districts and charter schools used aid under this section in the previous fiscal year. In preparing the report, the commissioner may use information available from the uniform financial accounting and reporting system. The report must be filed in accordance with section 3.195.

Sec. 8. Laws 2023, chapter 18, section 4, subdivision 2, as amended by Laws 2023, chapter 55, article 9, section 16, and Laws 2024, chapter 81, section 23, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

$218,801,000	. . . . .	2024
$ ~~238,987,000~~ 239,686,000	. . . . .	2025

Sec. 9. Laws 2023, chapter 18, section 4, subdivision 3, as amended by Laws 2023, chapter 55, article 9, section 17, and Laws 2024, chapter 81, section 24, is amended to read:

Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

$44,178,000	. . . . .	2024
$ ~~48,334,000~~ 48,747,000	. . . . .	2025

Sec. 10. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 134.356, as Minnesota Statutes, section 124D.992, and make any necessary changes to statutory cross-references to reflect these changes.

ARTICLE 10
STATE AGENCIES

Section 1. Minnesota Statutes 2022, section 13.321, is amended by adding a subdivision to read:

Subd. 12. **Office of the Inspector General; access to data.** Data involving the Department of Education's Office of the Inspector General are governed by section 127A.21.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 127A.21, is amended to read:

127A.21 OFFICE OF THE INSPECTOR GENERAL.

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The inspector general shall report directly to the commissioner. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

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

(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment.

(c) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant. "Department program" includes state and federal aids or grants received by a school district or charter school or other program participant.

(d) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by the department.

(e) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office of the Inspector General related to a program participant in a department program.

(f) "Program participant" means any entity or person, including associated persons, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a department program.

(g) "Waste" means practices that, directly or indirectly, result in unnecessary costs to department programs, such as misusing resources.

(h) For purposes of this section, neither "fraud," "waste," nor "abuse" includes decisions on instruction, curriculum, personnel, or other discretionary policy decisions made by a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

Subd. 2. **~~Data practices;~~ Hiring; reporting; procedures.** ~~The Office of the Inspector General has access to all program data, regardless of classification under chapter 13, held by the department, school districts or charter schools, grantees, and any other recipient of funds from the department.~~ (a) The commissioner, or the commissioner's designee, must hire an inspector general to lead the Office of the Inspector General. The inspector general must hire a deputy inspector general and, at the discretion of the inspector general, sufficient assistant inspectors general to carry out the duties of the office. The inspector general, deputy inspector general, and any assistant inspectors general serve in the classified service.

(b) In a form and manner determined by the inspector general, the Office of the Inspector General must develop a public platform for the public to report instances of potential fraud, waste, or abuse of public funds administered by the department. Nothing in this paragraph shall be construed to give a member of the public standing to sue based on allegations of fraud, waste, or abuse.

(c) The inspector general shall establish procedures for conducting investigations. Procedures adopted under this subdivision are not subject to chapter 14, including section 14.386.

Subd. 3. **Subpoenas.** (a) For the purpose of an investigation, the inspector general or a designee may administer oaths and affirmations, subpoena witnesses, compel attendance, take evidence, and issue subpoenas duces tecum to require the production of books, papers, correspondence, memoranda, agreements, financial records, or other documents or records relevant to the investigation.

(b) A subpoena issued pursuant to this subdivision must state that the subpoena recipient may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to the inspector general, or their staff, except:

(1) in so far as the disclosure is necessary to find and disclose the records;

(2) pursuant to court order; or

(3) to legal counsel for the purposes of responding to the subpoena.

(c) The fees for service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued by a district court.

(d) The subpoena issued under this subdivision shall be enforceable through the district court in the district where the subpoena is issued.

Subd. 4. **Access to records.** (a) For purposes of an investigation, and regardless of the data's classification under chapter 13, the Office of the Inspector General shall have access to all relevant books, accounts, documents, data, and property related to department programs that are maintained by a program participant, charter school, or government entity as defined by section 13.02.

(b) Notwithstanding paragraph (a), the Office of the Inspector General must issue a subpoena under subdivision 3 in order to access routing and account numbers to which Department of Education funds have been disbursed.

(c) Records requested by the Office of the Inspector General under this subdivision shall be provided in a format, place, and time frame reasonably requested by the Office of the Inspector General.

(d) The department may enter into specific agreements with other state agencies related to records requests by the Office of the Inspector General.

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate temporary sanctions, including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General if:

(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;

(2) there has been a criminal, civil, or administrative adjudication of fraud, waste, or abuse against the program participant in Minnesota or in another state or jurisdiction;

(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or

(4) the program participant has a pattern of noncompliance with an investigation.

(c) If an investigation finds, by a preponderance of the evidence, fraud, waste, or abuse by a program participant, the inspector general may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph (e).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General determines there is insufficient evidence of fraud, waste, or abuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Subd. 6. **Data practices.** (a) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for a government entity as defined in section 13.02 to provide data or information under this section.

(b) The inspector general is subject to the Government Data Practices Act, chapter 13, and shall protect from unlawful disclosure data classified as not public. Data collected, created, received, or maintained by the inspector general relating to an audit, investigation, proceeding, or inquiry are subject to section 13.39.

Subd. 7. **Retaliation, interference prohibited.** (a) An employee or other individual who discloses information to the Office of the Inspector General about fraud, waste, or abuse in department programs is protected under section 181.932, governing disclosure of information by employees.

(b) No state employee may interfere with or obstruct an investigation authorized by this section.

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

Sec. 3. Laws 2023, chapter 55, article 12, section 17, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

$47,005,000	. . . . .	2024
$ ~~39,922,000~~ 40,052,000	. . . . .	2025

Of these amounts:

(1) $405,000 each year is for the Board of School Administrators;

(2) $1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) $720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) $480,000 each year is for the Department of Education's mainframe update;

(5) $7,500,000 in fiscal year 2024 only is for legal fees and costs associated with litigation;

(6) $595,000 in fiscal year 2024 and $2,609,000 in fiscal year 2025 are for modernizing district data submissions. The base for fiscal year 2026 and later is $2,359,000;

(7) $573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) $150,000 each year is for an ethnic studies specialist in the academic standards division to provide support to the ethnic studies working group and to school districts seeking to establish or strengthen ethnic studies courses;

(9) $150,000 each year is for the comprehensive school mental health services lead under Minnesota Statutes, section 127A.215;

(10) $150,000 each year is for a school health services specialist under Minnesota Statutes, section 121A.20;

(11) $2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

(12) $800,000 each year is for audit and internal control resources;

(13) $2,000,000 in fiscal year 2024 only is for information technology infrastructure and portfolio resources;

(14) $2,000,000 each year is for staffing the Equity, Diversity and Inclusion (EDI) Center at the Department of Education; ~~and~~

(15) $275,000 in fiscal year 2024 and $175,000 in fiscal year 2025 are for administrative expenses for unemployment aid; and

(16) $130,000 in fiscal year 2025 only is for the state school librarian under Minnesota Statutes, section 127A.151.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2026 and later is $39,667,000.

Sec. 4. **PERMANENT SCHOOL FUND; DISTRIBUTION OF ENDOWMENT FUND EARNINGS TASK FORCE.**

Subdivision 1. **Task force established.** A task force of nine members is established to examine the distribution of earnings from the permanent school fund endowment.

Subd. 2. **Membership qualifications and appointments.** (a) Appointed members of the task force must have outstanding professional experience in at least one of the following areas:

(1) institutional asset management;

(2) investment finance;

(3) trust administration;

(4) investment fund accounting;

(5) investment banking; or

(6) the practice of law in the areas of capital markets, securities funds, trusts, foundations, or endowments.

(b) The task force consists of the following nine members, each of whom must be appointed by September 1, 2024:

(1) the commissioner of education or the commissioner's designee;

(2) an employee or other member appointed by the State Board of Investment;

(3) four members appointed by the governor; and

(4) three members appointed by vote of the Legislative Permanent School Fund Commission.

(c) The first meeting of the task force must be called by the commissioner of education no later than October 1, 2024. The Department of Education must provide staff, technical assistance, and organizational support for the task force.

Subd. 3. **Duties.** The task force must examine the historical returns on the permanent school fund endowment and evaluate and recommend potential changes to the distribution of earnings. The task force may examine school trust endowment policies in other states. The task force recommendations may include proposed changes to state statutes and Minnesota's constitutional provisions governing the school trust fund endowment.

Subd. 4. **Report; expiration.** The task force must report its recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over the permanent school fund by January 15, 2026. The task force report must be submitted consistent with Minnesota Statutes, section 3.195. The task force expires on January 15, 2026, or upon submission of the report required under this subdivision, whichever occurs earlier.

Sec. 5. **APPROPRIATION; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sum indicated in this section is appropriated from the general fund to the Professional Educator Licensing and Standards Board in the fiscal year designated.

Subd. 2. **Information technology costs.** (a) For information technology costs of the Professional Educator Licensing and Standards Board:

$2,767,000 2025

(b) This is a onetime appropriation and is available until June 30, 2027.

Sec. 6. **APPROPRIATION; PERMANENT SCHOOL FUND TASK FORCE.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. **Permanent School Fund Task Force.** (a) To administer the task force on the distribution of earnings from the permanent school fund:

$64,000 2025

(b) This is a onetime appropriation and is available until June 30, 2026.

Sec. 7. **REPEALER; FEDERAL EDUCATION LAW IMPLEMENTATION REPORT.**

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

ARTICLE 11
EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2023 Supplement, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (c), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (d).

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal ~~years 2023,~~ year 2024~~, and 2025,~~ and 12,360 participants for fiscal year ~~2026~~ 2025 and later.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish a schedule of tiered per-child scholarship amounts based on the results of the rate survey conducted under section 119B.02, subdivision 7, the cost of providing high-quality early care and learning to children in varying circumstances, a family's income, and geographic location.

(b) Notwithstanding paragraph (a), a program that has a four-star rating under section 124D.142 must receive, for each scholarship recipient who meets the criteria in subdivision 2a, paragraph (b) or (c), an amount not less than the cost to provide full-time care at the 75th percentile of the most recent market rate survey under section 119B.02, subdivision 7.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within three months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. An extension may be requested if a program is unavailable for the child within the three-month timeline. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program or within 90 days after the child's third birthday if awarded a scholarship under the age of three.

(f) ~~For fiscal year 2017 and later,~~ A school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner. This paragraph expires upon implementation of the processes required under paragraph (g).

(g) Beginning January 1, 2026, to the extent funding is available under subdivision 6, paragraph (f), the commissioner must:

(1) make scholarship payments to eligible programs in advance of or at the beginning of the delivery of services based on an approved scholarship recipient's enrollment; and

(2) implement a process for transferring scholarship awards between eligible programs, when initiated by a scholarship recipient. Under the process, the commissioner:

(i) may adjust scholarship payment schedules for eligible programs to account for changes in a scholarship recipient's enrollment; and

(ii) must specify a period of time for which scholarship payments must continue to an eligible program for a scholarship recipient who transfers to a different eligible program.

(h) By January 1, 2026, to the extent funding is available under subdivision 6, paragraph (f), the commissioner must have information technology systems in place that prioritize efficiency and usability for families and early childhood programs and that support the following:

(1) the ability for a family to apply for a scholarship through an online system that allows the family to upload documents that demonstrate scholarship eligibility;

(2) the administration of scholarships, including but not limited to verification of family and child eligibility, identification of programs eligible to accept scholarships, management of scholarship awards and payments, and communication with families and eligible programs; and

(3) making scholarship payments to eligible programs in advance of or at the beginning of the delivery of services for an approved scholarship recipient.

(i) In creating the information technology systems and functions under paragraph (h), the commissioner must consider the requirements for and the potential transition to the great start scholarships program under section 119B.99.

Sec. 3. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 6, is amended to read:

Subd. 6. **Early learning scholarship account.** (a) An account is established in the special revenue fund known as the "early learning scholarship account."

(b) Funds appropriated for early learning scholarships under this section must be transferred to the early learning scholarship account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for early learning scholarships under this section. Any returned funds are available to be regranted.

(d) Up to $2,133,000 annually is appropriated to the commissioner for costs associated with administering and monitoring early learning scholarships.

(e) The commissioner may use funds under paragraph (c) for the purpose of family outreach and distribution of scholarships.

(f) The commissioner may use up to ~~$5,000,000~~ $12,000,000 in funds under paragraph (c) to create information technology systems~~, including but not limited to an online application, a case management system, attendance tracking, and a centralized payment system~~ under subdivision 3, paragraph (h). ~~Beginning July 1, 2025, the commissioner may use up to $750,000 annually in funds under paragraph (c) to maintain the information technology systems created under this paragraph.~~ Beginning July 1, 2025, the commissioner may use up to $2,400,000 annually in funds under paragraph (c) to maintain the information technology systems that support the early learning scholarships program.

(g) By December 31 of each year, the commissioner must provide a written report to the legislative committees with jurisdiction over early care and learning programs on the use of funds under paragraph (c) for purposes other than providing scholarships to eligible children.

Sec. 4. Laws 2023, chapter 54, section 20, subdivision 6, is amended to read:

Subd. 6. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

$35,100,000	. . . . .	2024
$35,100,000	. . . . .	2025

(b) For fiscal year 2025 and later, up to two percent of the appropriation in each year is available for administration.

(c) Any balance in the first year does not cancel but is available in the second year.

Sec. 5. Laws 2023, chapter 54, section 20, subdivision 24, is amended to read:

Subd. 24. **Early childhood curriculum grants.** (a) For competitive grants to Minnesota postsecondary institutions to improve the curricula of the recipient institution's early childhood education programs by incorporating or conforming to the Minnesota knowledge and competency frameworks for early childhood professionals:

$250,000	. . . . .	2024
$250,000	. . . . .	2025

(b) By December 1, 2024, and again by December 1, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over early childhood through grade 12 education and higher education finance and policy reporting on grants awarded under this subdivision. The report must include the following information for the previous fiscal year:

(1) the number of grant applications received;

(2) the criteria applied by the commissioner for evaluating applications;

(3) the number of grants awarded, grant recipients, and amounts awarded;

(4) early childhood education curricular reforms proposed by each recipient institution;

(5) grant outcomes for each recipient institution; and

(6) other information identified by the commissioner as outcome indicators.

(c) The commissioner may use no more than three percent of the appropriation under this subdivision to administer the grant program.

(d) This is a onetime appropriation.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 6. **DIRECTION TO THE COMMISSIONER OF EDUCATION; ADJUSTING VOLUNTARY PREKINDERGARTEN PARTICIPATION LIMITS.**

The commissioner of education must retroactively adjust the voluntary prekindergarten and school readiness plus seat allocation under Minnesota Statutes, section 124D.151, subdivision 5a, for fiscal year 2025 to match the participation limit under Minnesota Statutes, section 124D.141, subdivision 6, for fiscal year 2025. The commissioner of education, in consultation with the Department of Children, Youth, and Families Implementation Office, must finish allocating the new seats for fiscal year 2025 by June 17, 2024, and must notify qualifying school districts and charter schools about the new seats by July 1, 2024.

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

Sec. 7. **REPEALER.**

Laws 2023, chapter 55, article 10, section 4, is repealed.

ARTICLE 12
CHILD PROTECTION AND WELFARE

Section 1. Minnesota Statutes 2023 Supplement, section 256.01, subdivision 12b, is amended to read:

Subd. 12b. **Department of Human Services systemic critical incident review team.** (a) The commissioner may establish a Department of Human Services systemic critical incident review team to review (1) critical incidents reported as required under section 626.557 for which the Department of Human Services is responsible under section 626.5572, subdivision 13; chapter 245D; or Minnesota Rules, chapter 9544; or (2) child fatalities and near

fatalities that occur in licensed facilities and are not due to natural causes. When reviewing a critical incident, the systemic critical incident review team shall identify systemic influences to the incident rather than determine the culpability of any actors involved in the incident. The systemic critical incident review may assess the entire critical incident process from the point of an entity reporting the critical incident through the ongoing case management process. Department staff shall lead and conduct the reviews and may utilize county staff as reviewers. The systemic critical incident review process may include but is not limited to:

(1) data collection about the incident and actors involved. Data may include the relevant critical services; the service provider's policies and procedures applicable to the incident; the community support plan as defined in section 245D.02, subdivision 4b, for the person receiving services; or an interview of an actor involved in the critical incident or the review of the critical incident. Actors may include:

(i) staff of the provider agency;

(ii) lead agency staff administering home and community-based services delivered by the provider;

(iii) Department of Human Services staff with oversight of home and community-based services;

(iv) Department of Health staff with oversight of home and community-based services;

(v) members of the community including advocates, legal representatives, health care providers, pharmacy staff, or others with knowledge of the incident or the actors in the incident; and

(vi) staff from the Office of the Ombudsman for Mental Health and Developmental Disabilities and the Office of Ombudsman for Long-Term Care;

(2) systemic mapping of the critical incident. The team conducting the systemic mapping of the incident may include any actors identified in clause (1), designated representatives of other provider agencies, regional teams, and representatives of the local regional quality council identified in section 256B.097; and

(3) analysis of the case for systemic influences.

Data collected by the critical incident review team shall be aggregated and provided to regional teams, participating regional quality councils, and the commissioner. The regional teams and quality councils shall analyze the data and make recommendations to the commissioner regarding systemic changes that would decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

(b) Cases selected for the systemic critical incident review process shall be selected by a selection committee among the following critical incident categories:

(1) cases of caregiver neglect identified in section 626.5572, subdivision 17;

(2) cases involving financial exploitation identified in section 626.5572, subdivision 9;

(3) incidents identified in section 245D.02, subdivision 11;

(4) behavior interventions identified in Minnesota Rules, part 9544.0110;

(5) service terminations reported to the department in accordance with section 245D.10, subdivision 3a; and

(6) other incidents determined by the commissioner.

(c) The systemic critical incident review under this section shall not replace the process for screening or investigating cases of alleged maltreatment of an adult under section 626.557 or of a child under chapter 260E. The department may select cases for systemic critical incident review, under the jurisdiction of the commissioner, reported for suspected maltreatment and closed following initial or final disposition.

(d) The proceedings and records of the review team are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13. Data that document a person's opinions formed as a result of the review are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state, or a county agency arising out of the matters that the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were assessed or presented during proceedings of the review team. A person who presented information before the systemic critical incident review team or who is a member of the team shall not be prevented from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person shall not be questioned about opinions formed by the person as a result of the review.

(e) By October 1 of each year, the commissioner shall prepare an annual public report containing the following information:

(1) the number of cases reviewed under each critical incident category identified in paragraph (b) and a geographical description of where cases under each category originated;

(2) an aggregate summary of the systemic themes from the critical incidents examined by the critical incident review team during the previous year;

(3) a synopsis of the conclusions, incident analyses, or exploratory activities taken in regard to the critical incidents examined by the critical incident review team; and

(4) recommendations made to the commissioner regarding systemic changes that could decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

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

Sec. 2. Minnesota Statutes 2022, section 256N.26, subdivision 12, is amended to read:

Subd. 12. **Treatment of Supplemental Security Income.** (a) If a child placed in foster care receives benefits through Supplemental Security Income (SSI) at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may apply to be the payee for the child for the duration of the child's placement in foster care. If a child continues to be eligible for SSI after finalization of the adoption or transfer of permanent legal and physical custody and is determined to be eligible for a payment under Northstar Care for Children, a permanent caregiver may choose to receive payment from both programs simultaneously. The permanent caregiver is responsible to report the amount of the payment to the Social Security Administration and the SSI payment will be reduced as required by the Social Security Administration.

(b) If a financially responsible agency applies to be the payee for a child who receives benefits through SSI, or receives the benefits under this subdivision on behalf of a child, the financially responsible agency must provide written notice by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(c) If a financially responsible agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

(d) If a financially responsible agency receives the benefits under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The financially responsible agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child under this subdivision into a general fund.

(e) If a financially responsible agency receives any benefits under this subdivision, it must keep a record of:

(1) the total dollar amount it received on behalf of all children it receives benefits for;

(2) the total number of children it applied to be a payee for; and

(3) the total number of children it received benefits for.

(f) By July 1, 2025, and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e). By September 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection that compiles the information provided to the commissioner by each financially responsible agency under paragraph (e); subdivision 13, paragraph (e); and section 260C.331, subdivision 7, paragraph (d). This paragraph expires January 31, 2034.

Sec. 3. Minnesota Statutes 2022, section 256N.26, subdivision 13, is amended to read:

Subd. 13. **Treatment of Retirement ~~survivor's~~, Survivors, and Disability Insurance~~,~~; veteran's benefits~~,~~; railroad retirement benefits~~,~~; and black lung benefits.** (a) If a child placed in foster care receives Retirement ~~survivor's~~, Survivors, and Disability Insurance~~,~~; veteran's benefits~~,~~; railroad retirement benefits~~,~~; or black lung benefits at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may apply to be the payee for the child for the duration of the child's placement in foster care. If it is anticipated that a child will be eligible to receive Retirement ~~survivor's~~, Survivors, and Disability Insurance~~,~~; veteran's benefits~~,~~; railroad retirement benefits~~,~~; or black lung benefits after finalization of the adoption or assignment of permanent legal and physical custody, the permanent caregiver shall apply to be the payee of those benefits on the child's behalf.

(b) If the financially responsible agency applies to be the payee for a child who receives Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits, or receives the benefits under this subdivision on behalf of a child, the financially responsible agency must provide written notice by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(c) If a financially responsible agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

(d) If a financially responsible agency receives the benefits under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The financially responsible agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child under this subdivision into a general fund.

(e) If a financially responsible agency receives any benefits under this subdivision, it must keep a record of:

(1) the total dollar amount it received on behalf of all children it receives benefits for;

(2) the total number of children it applied to be a payee for; and

(3) the total number of children it received benefits for.

(f) By July 1, 2025 and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e).

Sec. 4. Minnesota Statutes 2023 Supplement, section 260.761, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 260.762, subdivision 2, is amended to read:

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

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

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

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

(4) notify the Indian child's Tribe or Tribes by telephone and by email or facsimile immediately but no later than 24 hours after receiving information on a missing child as defined under section 260C.212, subdivision 13, paragraph (a).

Sec. 6. Minnesota Statutes 2022, section 260C.007, subdivision 5, is amended to read:

Subd. 5. **Child abuse.** "Child abuse" means an act that involves a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.2242, 609.282, 609.322, 609.324, 609.342, 609.343, 609.344, 609.345, 609.3458, 609.377, 609.378, 617.246, or that is physical or sexual abuse as defined in section 260E.03, or an act committed in another state that involves a minor victim and would constitute a violation of one of these sections if committed in this state.

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

Sec. 7. Minnesota Statutes 2022, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03, subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) is a labor trafficked youth;

~~(12)~~ (13) has committed a delinquent act or a juvenile petty offense before becoming ten years old;

~~(13)~~ (14) is a runaway;

~~(14)~~ (15) is a habitual truant;

~~(15)~~ (16) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or

~~(16)~~ (17) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child.

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

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

Subd. 33. **Labor trafficked youth.** For the purposes of this section, "labor trafficked youth" means a child, as defined in subdivision 4, who:

(1) is a labor trafficking victim as defined in section 609.281, subdivision 6; or

(2) is a victim of severe forms of trafficking in persons as defined in United States Code, title 22, section 7102(11)(B).

Sec. 9. Minnesota Statutes 2022, section 260C.007, is amended by adding a subdivision to read:

Subd. 34. **Human trafficking.** For purposes of this section, "human trafficking" includes labor trafficking as defined in section 609.281, subdivision 5; sex trafficking as defined in section 609.321, subdivision 7a; and severe forms of trafficking in persons as defined in United States Code, title 22, section 7102(11).

Sec. 10. Minnesota Statutes 2022, section 260C.212, subdivision 13, is amended to read:

Subd. 13. **~~Protecting~~ Responding to missing ~~and runaway~~ children and youth ~~at risk of sex~~ and preventing human trafficking ~~or commercial sexual exploitation~~.** (a) For purposes of this subdivision, "missing child or youth" means a child, as defined by section 260C.007, subdivision 4, who is under the legal custody of a responsible social services agency, as defined by section 260C.007, subdivision 22, and is absent from the foster care setting, including family foster home, residential facility or independent living setting, or home of the parent or guardian during a trial home visit, and cannot be located.

~~(a)~~ (b) The ~~local~~ responsible social services agency shall develop protocols to expeditiously locate any missing child ~~missing from foster care~~ or youth.

~~(b)~~ (c) When the ~~local~~ responsible social services agency ~~shall report~~ learns that a child or youth is missing, the agency staff must immediately, but no later than 24 hours~~,~~ after receiving information ~~on a missing or abducted child~~:

(1) report to the local law enforcement agency for entry into the National Crime Information Center (NCIC) database of the Federal Bureau of Investigation~~,~~ and to the National Center for Missing and Exploited Children and document having made this report. When making a report to local law enforcement and National Center for Missing and Exploited Children, the agency must include, when reasonably possible:

(i) a photo of the child or youth;

(ii) a description of the child or youth's physical features, such as height, weight, sex, ethnicity, race, hair color, and eye color; and

(iii) endangerment information, such as the child or youth's pregnancy status, prescriptions, medications, suicidal tendencies, vulnerability to being trafficked, and other health or risk factors; and

(2) notify the court, parties to the case, parents and relatives who are not parties as the agency deems appropriate, and any Tribe who has legal responsibility or received notice under section 260.761, subdivision 2, but has not yet determined enrollment or eligibility status.

~~(c)~~ (d) While the child or youth is missing, the ~~local~~ responsible social services agency ~~shall~~ must:

(1) implement protocols to expeditiously locate the child or youth;

(2) maintain regular communication with law enforcement agencies and the National Center for Missing and Exploited Children in efforts to provide a safe recovery of the missing child or youth and document this communication;

(3) share information pertaining to the child or youth's recovery, and circumstances related to recovery, with law enforcement agencies and the National Center for Missing and Exploited Children; and

(4) not discharge a child or youth from foster care or close the social services case until diligent efforts have been exhausted to locate the child or youth and the court terminates the agency's jurisdiction.

~~(d)~~ (e) When the child or youth is located, the ~~local~~ responsible social services agency ~~shall~~ must:

(1) notify all individuals and agencies that require notification in paragraph (c) of the child or youth's return;

(2) interview the child or youth to determine and document, on a form approved by the commissioner of children, youth, and families, what the child or youth experienced while missing and the primary factors that contributed to the ~~child's running away or otherwise being absent~~ child or youth's absence from care ~~and,~~;

(3) to the extent possible and appropriate, respond to ~~those~~ the primary contributing factors in current and subsequent placements~~.~~;

~~(e) The local social services agency shall determine what the child experienced while absent from care, including screening~~ (4) screen the child or youth's reported experience to ~~determine~~ identify if the child or youth is a possible ~~sex~~ victim of human trafficking ~~or commercial sexual exploitation victim,~~ as defined in section 260C.007, subdivision ~~31.~~ 34; and

~~(f) the local social services~~ (5) if the child or youth is identified to have been a victim of human trafficking, ~~agency shall~~ report immediately, but no later than 24 hours, to ~~the~~ local law enforcement ~~agency any reasonable cause to believe a child is, or is at risk of being, a sex trafficking or commercial sexual exploitation victim~~.

~~(g)~~ (f) With respect to any child or youth for whom the responsible social services agency has responsibility for placement, care, or supervision, the ~~local~~ responsible social services agency shall ~~determine~~:

(1) identify and document any reasonable cause to believe that the child or youth is a human trafficking victim as defined in section 260C.007, subdivision 34, or a youth at risk of sex trafficking or commercial sexual exploitation as defined by the commissioner of children, youth, and families; and

(2) provide access to appropriate services, which may include services under Safe Harbor, as described in section ~~145.4717 with respect to any child for whom the local social services agency has responsibility for placement, care, or supervision when the local social services agency has reasonable cause to believe that the child is, or is at risk of being, a sex trafficking or commercial sexual exploitation victim.~~ 145.4716, amending the child or youth's out-of-home placement plan in subdivision 1, as necessary.

EFFECTIVE DATE. This section is effective July 1, 2024, except for paragraph (f), which is effective July 1, 2025.

Sec. 11. Minnesota Statutes 2022, section 260C.331, is amended by adding a subdivision to read:

Subd. 7. **Notice.** (a) If the responsible social services agency receives Retirement, Survivors, and Disability Insurance; Supplemental Security Income; veteran's benefits; railroad retirement benefits; or black lung benefits on behalf of a child, it must provide written notice by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency as defined in section 256N.02, if different than the responsible social services agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(b) If the responsible social services agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency as defined in section 256N.02, subdivision 14, if different, and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

(c) If the responsible social services agency receives the benefits listed under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The responsible social services agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child into a general fund.

(d) If the responsible social services agency receives any benefits listed under this subdivision, it must keep a record of:

(1) the total dollar amount it received on behalf of all children it receives benefits for;

(2) the total number of children it applied to be a payee for; and

(3) the total number of children it receives benefits for. By July 1, 2025, and each July 1 thereafter, the responsible social services agency must submit a report to the commissioner that includes the information required under this paragraph.

Sec. 12. Minnesota Statutes 2023 Supplement, section 260E.02, subdivision 1, as amended by Laws 2024, chapter 80, article 8, section 31, is amended to read:

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

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

Sec. 13. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision to read:

Subd. 11a. **Labor trafficking.** "Labor trafficking" means the subjection of a child to the acts listed in section 609.281, subdivision 5, limited to the purposes of forced or coerced labor or services as defined by section 609.281, subdivision 4, and debt bondage as defined by section 609.281, subdivision 3, regardless of whether the alleged offender is a noncaregiver human trafficker as defined in subdivision 17a.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 260E.03, subdivision 15a, is amended to read:

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

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

Sec. 15. Minnesota Statutes 2023 Supplement, section 260E.03, subdivision 15b, is amended to read:

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

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

Sec. 16. Minnesota Statutes 2023 Supplement, section 260E.03, subdivision 22, is amended to read:

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

(1) egregious harm under subdivision 5;

(2) abandonment under section 260C.301, subdivision 2;

(3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(5) manslaughter in the first or second degree under section 609.20 or 609.205;

(6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(7) sex trafficking, solicitation, inducement, or promotion of prostitution under section 609.322;

(8) criminal sexual conduct under sections 609.342 to 609.3451;

(9) sexual extortion under section 609.3458;

(10) solicitation of children to engage in sexual conduct under section 609.352;

(11) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

(12) use of a minor in sexual performance under section 617.246; ~~or~~

(13) labor trafficking under sections 609.281 and 609.282; or

~~(13)~~ (14) parental behavior, status, or condition requiring the county attorney to file a termination of parental rights petition under section 260C.503, subdivision 2.

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

Sec. 17. Minnesota Statutes 2022, section 260E.14, subdivision 3, is amended to read:

Subd. 3. **Neglect ~~or~~, physical abuse, or labor trafficking.** (a) The local welfare agency is responsible for immediately conducting a family assessment or investigation if the report alleges neglect or physical abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care.

(b) The local welfare agency is also responsible for conducting a family assessment or investigation when a child is identified as a victim of labor trafficking.

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

Sec. 18. Minnesota Statutes 2023 Supplement, section 260E.14, subdivision 5, is amended to read:

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

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

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

Sec. 19. Minnesota Statutes 2023 Supplement, section 260E.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

Sec. 20. Minnesota Statutes 2023 Supplement, section 260E.18, is amended to read:

260E.18 NOTICE TO CHILD'S TRIBE.

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

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

Sec. 21. Minnesota Statutes 2023 Supplement, section 260E.20, subdivision 2, is amended to read:

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

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

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

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

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 260E.24, subdivision 2, is amended to read:

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

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

Sec. 23. Minnesota Statutes 2023 Supplement, section 260E.24, subdivision 7, is amended to read:

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

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

Sec. 24. Minnesota Statutes 2023 Supplement, section 260E.33, subdivision 1, is amended to read:

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

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

Sec. 25. Minnesota Statutes 2023 Supplement, section 260E.35, subdivision 6, is amended to read:

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

(b) For a report alleging maltreatment that was not accepted for an assessment or an investigation, a family assessment case, a noncaregiver ~~sex~~ human trafficking assessment case, and a case where an investigation results in no determination of maltreatment or the need for child protective services, the record must be maintained for a period of five years after the date that the report was not accepted for assessment or investigation or the date of the final entry in the case record. A record of a report that was not accepted must contain sufficient information to identify the subjects of the report, the nature of the alleged maltreatment, and the reasons why the report was not accepted. Records under this paragraph may not be used for employment, background checks, or purposes other than to assist in future screening decisions and risk and safety assessments.

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

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

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

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

Sec. 26. Minnesota Statutes 2022, section 260E.36, subdivision 1a, is amended to read:

Subd. 1a. **~~Sex~~ Human trafficking ~~and~~, sexual exploitation, and youth missing from care training requirement.** As required by the Child Abuse Prevention and Treatment Act amendments through Public Law 114-22 and to implement Public ~~Law~~ Laws 113-183 and 115-123, all child protection social workers and social services staff who have responsibility for child protective duties under this chapter or chapter 260C shall complete training implemented by the commissioner of human services regarding ~~sex~~ identification, prevention, and response to human trafficking and sexual exploitation of children and youth, including prevention for youth missing from care.

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

Sec. 27. **[260E.39] CHILD FATALITY AND NEAR FATALITY REVIEW.**

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

(1) "critical incident" means a child fatality or near fatality in which maltreatment was a known or suspected contributing cause;

(2) "joint review" means the critical incident review conducted by the child mortality review panel jointly with the local review team under subdivision 4, paragraph (b);

(3) "local review" means the local critical incident review conducted by the local review team under subdivision 4, paragraph (c);

(4) "local review team" means a local child mortality review team established under subdivision 2; and

(5) "panel" means the child mortality review panel established under subdivision 3.

Subd. 2. **Local child mortality review teams.** (a) Each county shall establish a multidisciplinary local child mortality review team and shall participate in local critical incident reviews that are based on safety science principles to support a culture of learning. The local welfare agency's child protection team may serve as the local review team. The local review team shall include but not be limited to professionals with knowledge of the critical incident being reviewed and, if the critical incident being reviewed involved an Indian child as defined in section 260.755, subdivision 8, at least one representative from the child's Tribe.

(b) The local review team shall conduct reviews of critical incidents jointly with the child mortality review panel or as otherwise required under subdivision 4, paragraph (c).

Subd. 3. **Child mortality review panel; establishment and membership.** (a) The commissioner shall establish a child mortality review panel to review critical incidents attributed to child maltreatment. The purpose of the panel is to identify systemic changes to improve child safety and well-being and recommend modifications in statute, rule, policy, and procedure.

(b) The panel shall consist of:

(1) the commissioner of children, youth, and families, or a designee;

(2) the commissioner of human services, or a designee;

(3) the commissioner of health, or a designee;

(4) the commissioner of education, or a designee;

(5) the superintendent of the Bureau of Criminal Apprehension, or a designee;

(6) a judge, appointed by the Minnesota judicial branch; and

(7) other members appointed by the governor, including but not limited to:

(i) a physician who is a medical examiner;

(ii) a physician who is a child abuse specialist pediatrician;

(iii) a county attorney who works on child protection cases;

(iv) two current child protection supervisors for local welfare agencies, each of whom has previous experience as a frontline child protection worker;

(v) a current local welfare agency director who has previous experience as a frontline child protection worker or supervisor;

(vi) two current child protection supervisors or directors for Tribal child welfare agencies, each of whom has previous experience as a frontline child protection worker or supervisor;

(vii) a county or Tribal public health worker; and

(viii) a member representing law enforcement.

(c) The governor shall designate one member as chair of the panel from the members listed in paragraph (b), clauses (6) and (7).

(d) Members of the panel shall serve terms of four years for an unlimited number of terms. A member of the panel may be removed by the appointing authority for the member.

(e) The commissioner shall employ an executive director for the panel to:

(1) provide administrative support to the panel and the chair, including providing the panel with critical incident notices submitted by local welfare agencies;

(2) compile and synthesize information for the panel;

(3) draft recommendations and reports for the panel's final approval; and

(4) conduct or otherwise direct training and consultation under subdivision 7.

Subd. 4. **Critical incident review process.** (a) A local welfare agency that has determined that maltreatment was the cause of or a contributing factor in a critical incident must notify the commissioner and the executive director of the panel within three business days of making the determination.

(b) The panel shall conduct a joint review with the local review team for:

(1) any critical incident relating to a family, child, or caregiver involved in a local welfare agency family assessment or investigation within the 12 months preceding the critical incident;

(2) a critical incident the governor or commissioner directs the panel to review; and

(3) any other critical incident the panel chooses for review.

(c) The local review team must review all critical incident cases not subject to joint review under paragraph (b).

(d) Within 120 days of initiating a joint review or local review of a critical incident, except as provided under paragraph (h), the panel or local review team shall complete the joint review or local review and compile a report. The report must include any systemic learnings that may increase child safety and well-being, and may include policy or practice considerations for systems changes that may improve child well-being and safety.

(e) A local review team must provide its report following a local review to the panel within three business days after the report is complete. After receiving the local review team report, the panel may conduct a further joint review.

(f) Following the panel's joint review or after receiving a local review team report, the panel may make recommendations to any state or local agency, branch of government, or system partner to improve child safety and well-being.

(g) The commissioner shall conduct additional information gathering as requested by the panel or the local review team. The commissioner must conduct information gathering for all cases for which the panel requests assistance. The commissioner shall compile a summary report for each critical incident for which information gathering is conducted and provide the report to the panel and the local welfare agency that reported the critical incident.

(h) If the panel or local review team requests information gathering from the commissioner, the panel or local review team may conduct the joint review or local review and compile its report under paragraph (d) after receiving the commissioner's summary information-gathering report. The timeline for a local or joint review under paragraph (d) may be extended if the panel or local review team requests additional information gathering to complete their review. If the local review team extends the timeline for its review and report, the local welfare agency must notify the executive director of the panel of the extension and the expected completion date.

(i) The review of any critical incident shall proceed as specified in this section, regardless of the status of any pending litigation or other active investigation.

Subd. 5. **Critical incident reviews; data practices and immunity.** (a) In conducting reviews, the panel, the local review team, and the commissioner shall have access to not public data under chapter 13 maintained by state agencies, statewide systems, or political subdivisions that are related to the child's critical incident or circumstances surrounding the care of the child. The panel, the local review team, and the commissioner shall also have access to records of private hospitals as necessary to carry out the duties prescribed by this section. A state agency, statewide system, or political subdivision shall provide the data upon request from the commissioner. Not public data may be shared with members of the panel, a local review team, or the commissioner in connection with an individual case.

(b) Notwithstanding the data's classification in the possession of any other agency, data acquired by a local review team, the panel, or the commissioner in the exercise of their duties are protected nonpublic or confidential data as defined in section 13.02 but may be disclosed as necessary to carry out the duties of the review team, panel, or commissioner. The data are not subject to subpoena or discovery.

(c) The commissioner shall disclose information regarding a critical incident upon request but shall not disclose data that was classified as confidential or private data on decedents under section 13.10 or private, confidential, or protected nonpublic data in the disseminating agency, except that the commissioner may disclose local social service agency data as provided in section 260E.35 on individual cases involving a critical incident with a person served by the local social service agency prior to the date of the critical incident.

(d) A person attending a local review team or child mortality review panel meeting shall not disclose what transpired at the meeting except to carry out the purposes of the local review team or panel. The commissioner shall not disclose what transpired during its information-gathering process except to carry out the duties of the commissioner. The proceedings and records of the local review team, the panel, and the commissioner are protected nonpublic data as defined in section 13.02, subdivision 13, and are not subject to discovery or introduction into evidence in a civil or criminal action. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because they were presented during proceedings of the local review team, the panel, or the commissioner.

(e) A person who presented information before the local review team, the panel, or the commissioner or who is a member of the local review team or the panel, or an employee conducting information gathering as designated by the commissioner, shall not be prevented from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding, a person may not be questioned about the person's presentation of information to the local review team, the panel, or the commissioner, or about the information reviewed or discussed during a critical incident review or the information-gathering process, any conclusions drawn or recommendations made related to information gathering or a critical incident review, or opinions formed by the person as a result of the panel or review team meetings.

(f) A person who presented information before the local review team, the panel, or the commissioner, or who is a member of the local review team or the panel, or an employee conducting information gathering as designated by the commissioner, is immune from any civil or criminal liability that might otherwise result from the person's presentation or statements if the person was acting in good faith and assisting with information gathering or in a critical incident review under this section.

Subd. 6. **Child mortality review panel; annual report.** Beginning December 15, 2026, and on or before December 15 annually thereafter, the commissioner shall publish a report of the child mortality review panel. The report shall include but not be limited to de-identified summary data on the number of critical incidents reported to the panel, the number of critical incidents reviewed by the panel and local review teams, and systemic learnings identified by the panel or local review teams during the period covered by the report. The report shall also include recommendations on improving the child protection system, including modifications to statutes, rules, policies, and procedures. The panel may make recommendations to the legislature or any state or local agency at any time, outside of its annual report.

Subd. 7. **Local welfare agency critical incident review training.** The commissioner shall provide training and support to local review teams and the panel to assist with local or joint review processes and procedures. The commissioner shall also provide consultation to local review teams and the panel conducting local or joint reviews pursuant to this section.

Subd. 8. **Culture of learning and improvement.** The local review teams and panel shall advance and support a culture of learning and improvement within Minnesota's child welfare system.

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

Sec. 28. Minnesota Statutes 2023 Supplement, section 518A.42, subdivision 3, is amended to read:

Subd. 3. **Exception.** (a) ~~This section~~ The minimum basic support amount under subdivision 2 does not apply to an obligor who is incarcerated ~~or is a recipient of a general assistance grant, Supplemental Security Income, temporary assistance for needy families (TANF) grant, or comparable state-funded Minnesota family investment program (MFIP) benefits~~.

(b) The minimum basic support amount under subdivision 2 does not apply to an obligor who is a recipient of:

(1) a general assistance grant;

(2) Supplemental Security Income;

(3) a Temporary Assistance for Needy Families (TANF) grant; or

(4) comparable state-funded Minnesota family investment program (MFIP) benefits.

~~(b)~~ (c) If the court finds the obligor receives no income and completely lacks the ability to earn income, the minimum basic support amount under ~~this~~ subdivision 2 does not apply.

~~(c)~~ (d) If the obligor's basic support amount is reduced below the minimum basic support amount due to the application of the parenting expense adjustment, the minimum basic support amount under ~~this~~ subdivision 2 does not apply and the lesser amount is the guideline basic support.

Sec. 29. Laws 2023, chapter 70, article 14, section 42, subdivision 6, is amended to read:

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

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

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

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

(3) Tribal and urban American Indian representatives;

(4) county government representatives;

(5) school and school district representatives; and

(6) state partner representatives.

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

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

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

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

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

(d) Compensation for members of the Community Resource Center Advisory Council is governed by Minnesota Statutes, section 15.0575, except that a public member may be compensated at the rate of up to $125 per day.

(e) A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

Sec. 30. **SUPREME COURT COUNCIL ON CHILD PROTECTION AND MALTREATMENT PREVENTION.**

Subdivision 1. **Establishment.** The chief justice of the supreme court is invited to establish a Supreme Court Council on Child Protection and Maltreatment Prevention as part of Minnesota's Court Improvement Program, the Children's Justice Initiative, authorized under Public Law 116-260, Division CC, title III, section 305, of the Consolidated Appropriations Act of 2021, to develop a comprehensive blueprint to improve Minnesota's child protection system and prevent unnecessary entry of children and families into the system.

Subd. 2. **Membership.** (a) The council must consist of the following members:

(1) the chief justice of the supreme court or a designee;

(2) the commissioner of children, youth, and families, or a designee;

(3) members representing Indian Tribes, including Tribal courts, appointed by the executive board of the Minnesota Indian Affairs Council;

(4) peace officers as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); state and local community corrections probation, parole, and supervised release agents; and other criminal justice professionals with substantial experience responding to reports of child maltreatment and working with minors who have had contact with the criminal justice system, appointed by the chief justice of the supreme court;

(5) professionals with experience providing child maltreatment prevention services, child protective services, foster care, adoption services, and postpermanency services, appointed by the chief justice of the supreme court;

(6) legal professionals and guardians ad litem, including Indian Child Welfare Act guardians ad litem, with significant experience in juvenile protection matters, appointed by the chief justice of the supreme court;

(7) educational professionals, including professionals with experience in early childhood education and providing educational services to children with disabilities, appointed by the chief justice of the supreme court;

(8) professionals from nonprofit community organizations with experience providing services and supports to children, parents, and relatives involved in or at risk of involvement in child maltreatment and juvenile protection matters, appointed by the chief justice of the supreme court;

(9) professionals with expertise on historical and generational trauma, systemic racism, adverse childhood experiences, and the long-term impacts of child protection system involvement on children, families, and communities historically overrepresented in the system, appointed by the chief justice of the supreme court;

(10) professionals with expertise providing services to persons with disabilities involved with the child protection system, appointed by the chief justice of the supreme court;

(11) persons with lived experience as a parent involved with the child protection system, appointed by the chief justice of the supreme court;

(12) one or more persons age 18 or older with lived experience as a child involved with the child protection system, appointed by the chief justice of the supreme court; and

(13) professionals with expertise on preventing child protection system involvement, including expertise on the impact of generational and situational poverty on children and child protection system involvement, appointed by the chief justice of the supreme court.

(b) A member may satisfy more than one category of experience or expertise identified in paragraph (a).

Subd. 3. **Organization and administration.** (a) The council is governed by Minnesota Statutes, section 15.059, except that subdivision 6 does not apply. The state court administrator must provide the council with staff support, office and meeting space, and access to office equipment and services.

(b) Council members serve at the pleasure of the appointing authority. The chief justice of the supreme court must select a chair from among the members. The council may select other officers, subcommittees, and work groups as it deems necessary.

Subd. 4. **Meetings.** (a) The council must meet at the call of the chair.

(b) The chair must convene the council's first meeting, which must occur by September 15, 2024.

Subd. 5. **Duties.** The council must develop a comprehensive blueprint for improvement that addresses all aspects of the child protection system, including prevention and early intervention, by:

(1) reviewing policies, laws, practices, latest research, and data related to children in the child protection system;

(2) gathering information through surveys or focus groups, including consultation with individuals who have lived experience with the child protection system, and reviews of evidence supporting federal guidance and research on the child protection system and maltreatment prevention;

(3) reviewing research that evaluates the effects of child foster care placement and out-of-home placement on the safety, permanency, and well-being of children and that identifies and evaluates factors designed to ensure emotional and physical safety of children in the context of child placement and permanency dispositions, family preservation, and reunification;

(4) making recommendations for changes in policies and law that are designed to improve outcomes for children and families in the child protection system or at risk of maltreatment; and

(5) recognizing the inherent sovereignty of Tribal Nations and the unique political status of their children and families.

Subd. 6. **Reports.** By July 15, 2025, the Supreme Court Council on Child Protection must submit a progress report on the council's duties under subdivision 5 to the governor, the chief justice of the supreme court, and the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. By January 15, 2026, the council must submit its final report to the governor, the chief justice of the supreme court, and the chairs and ranking minority members of the legislative committees with jurisdiction over child protection, detailing the comprehensive blueprint developed under subdivision 5.

Subd. 7. **Expiration.** The Supreme Court Council on Child Protection expires upon the submission of its final report under subdivision 6.

Sec. 31. **DIRECTION TO COMMISSIONER; CHILD MALTREATMENT REPORTING SYSTEMS REVIEW AND RECOMMENDATIONS.**

The commissioner of children, youth, and families must review current child maltreatment reporting processes and systems in various states and evaluate the costs and benefits of each reviewed state's system. In consultation with stakeholders, including but not limited to counties, Tribes, and organizations with expertise in child maltreatment prevention and child protection, the commissioner must develop recommendations on implementing a statewide child abuse and neglect reporting system in Minnesota and outline the benefits, challenges, and costs of such a transition. By June 1, 2025, the commissioner must submit a report detailing the commissioner's recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. The commissioner must also publish the report on the department's website.

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

Sec. 32. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD WELFARE WORKFORCE SYSTEM IMPROVEMENTS.**

When designing, developing, and implementing a data-driven, federally compliant Comprehensive Child Welfare Information System, the commissioner of human services must ensure that the system can, at a minimum, do the following:

(1) allow counties to track various financial information, including benefits received by counties on behalf of children in the child welfare system, and fees received by counties from parents with children in out-of-home placements;

(2) provide the ombudspersons under Minnesota Statutes, section 257.0755, the ombudsperson for American Indian families under Minnesota Statutes, section 3.9215, and the ombudsperson for foster youth under Minnesota Statutes, section 260C.80, with case-by-case access to nonprivileged information necessary for the discharge of the ombudsperson's duties, including specific child protection case information, while protecting Tribal data sovereignty;

(3) provide comprehensive statewide data reports; and

(4) track demographic information about children in the child welfare system, including race, cultural and ethnic identity, disability status, and economic status.

Sec. 33. **SUPPORTING RELATIVE CAREGIVER GRANTS.**

(a) The commissioner of children, youth, and families must award grants to eligible community-based nonprofit organizations to provide culturally competent supports to relative caregivers who are caring for relative children and connection to local and statewide resources.

(b) Grant funds must be used to serve relative caregivers caring for children from communities that are disproportionately overrepresented in the child welfare system based on available data, as determined by the commissioner.

(c) Grant funds may be used to assess relative caregiver and child needs, provide connection to local and statewide culturally competent resources, and provide culturally competent case management to assist with complex cases. Grant funds may also be used to provide culturally competent supports to reduce the need for child welfare involvement or risk of child welfare involvement and increase family stability by preventing nonrelative foster care placement.

(d) For purposes of this section, "relative" has the meaning given in Minnesota Statutes, section 260C.007, subdivision 27.

Sec. 34. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 260E.03, in alphabetical order except for subdivision 1 and correct any cross-reference changes that result.

Sec. 35. **REPEALER.**

(a) Minnesota Statutes 2022, section 256.01, subdivisions 12 and 12a, are repealed.

(b) Minnesota Rules, part 9560.0232, subpart 5, is repealed.

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

ARTICLE 13
ECONOMIC SUPPORTS

Section 1. **[142F.103] CAMPUS-BASED EMPLOYMENT AND TRAINING PROGRAM FOR STUDENTS ENROLLED IN HIGHER EDUCATION.**

Subdivision 1. **Designation.** (a) Within six months of the effective date of this section, the Board of Trustees of Minnesota State Colleges and Universities must, and the Board of Regents of the University of Minnesota is requested to, submit an application to the commissioner of human services verifying whether each of its institutions meets the requirements to be a campus-based employment and training program that qualifies for the student exemption for Supplemental Nutrition Assistance Program (SNAP) eligibility, as described in the Code of Federal Regulations, title 7, section 273.5(b)(11)(iv).

(b) An institution of higher education must be designated as a campus-based employment and training program by the commissioner of human services if that institution meets the requirements set forth in the guidance under subdivision 3. The commissioner of human services must maintain a list of approved programs on its website.

Subd. 2. **Student eligibility.** A student is eligible to participate in a campus-based employment and training program under this section if the student is enrolled in:

(1) a public two-year community or technical college and received a state grant under section 136A.121, received a federal Pell grant, or has a student aid index of $0 or less;

(2) a Tribal college as defined in section 136A.62 and received a state grant under section 136A.121, received a federal Pell grant, or has a student aid index of $0 or less; or

(3) a public four-year university and received a state grant under section 136A.121, received a federal Pell grant, or has a student aid index of $0 or less.

Subd. 3. **Guidance.** Within three months of the effective date of this section and annually thereafter, the commissioner of human services, in consultation with the commissioner of higher education, must issue guidance to counties, Tribal Nations, Tribal colleges, and Minnesota public postsecondary institutions that:

(1) clarifies the state and federal eligibility requirements for campus-based employment and training programs for low-income households;

(2) clarifies the application process for campus-based employment and training programs for low-income households including but not limited to providing a list of the supporting documents required for program approval;

(3) clarifies how students in an institution of higher education approved as a campus-based employment and training program for low-income households qualify for a SNAP student exemption; and

(4) clarifies the SNAP eligibility criteria for students that qualify for a SNAP student exemption under this section.

Subd. 4. **Application.** Within three months of the effective date of this section, the commissioner of human services, in consultation with the commissioner of higher education, must design an application for institutions of higher education to apply for a campus-based employment and training program designation.

Subd. 5. **Notice.** At the beginning of each academic semester, an institution of higher education with a designated campus-based employment and training program must send a letter to students eligible under this section to inform them that they may qualify for SNAP benefits and direct them to resources to apply. The letter under this subdivision shall serve as proof of a student's enrollment in a campus-based employment and training program.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2023 Supplement, section 256E.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.

(c) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

(d) "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 256E.31;

(2) a federal community development credit union;

(3) a women-oriented economic development agency;

(4) a federally recognized Tribal Nation; or

(5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code.

(e) "Financial coach" means a person who:

(1) has completed an intensive financial literacy training workshop that includes curriculum on budgeting to increase savings, debt reduction and asset building, building a good credit rating, and consumer protection;

(2) participates in ongoing statewide family assets for independence in Minnesota (FAIM) network training meetings under FAIM program supervision; and

(3) provides financial coaching to program participants under subdivision 4a.

(f) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(g) "Household" means all individuals who share finances and use of a dwelling unit as primary quarters for living and eating separate from other individuals. Sharing finances does not include situations in which a person is living in the same dwelling unit as others without sharing any other financial arrangements.

(h) "Permissible use" means:

(1) postsecondary educational expenses at an eligible educational institution as defined in paragraph (b), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization;

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986;

(5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

(6) contributions to an emergency savings account; and

(7) contributions to a Minnesota 529 savings plan.

Sec. 3. Minnesota Statutes 2022, section 256E.35, subdivision 5, is amended to read:

Subd. 5. **Household eligibility; participation.** (a) To be eligible for ~~state or TANF matching funds in~~ the family assets for independence initiative, a household must ~~meet the eligibility requirements of the federal Assets for Independence Act, Public Law 105-285, in Title IV, section 408 of that act~~ have maximum income that is equal to or less than the greater of:

(1) 50 percent of the area median income as determined by the United States Department of Housing and Urban Development; or

(2) 200 percent of the federal poverty guidelines.

(b) To be eligible for state matching funds under this section, a household must meet the requirements of this section.

~~(b)~~ (c) Each participating household must sign a family asset agreement that includes the amount of scheduled deposits into its savings account, the proposed use, and the proposed savings goal. A participating household must agree to complete an economic literacy training program.

~~(c)~~ (d) Participating households may only deposit money that is derived from household earned income or from state and federal income tax credits.

Sec. 4. Minnesota Statutes 2023 Supplement, section 256E.38, subdivision 4, is amended to read:

Subd. 4. **Eligible uses of grant money.** An eligible applicant that receives grant money under this section shall use the money to purchase diapers and wipes and may use up to ~~four~~ ten percent of the money for administrative costs.

Sec. 5. **TRANSFER TO DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.**

The responsibilities for the campus-based employment and training program for students enrolled in higher education under Minnesota Statutes, section 142F.103, must transfer from the commissioner of human services to the commissioner of children, youth, and families. Minnesota Statutes, section 142F.103, is incorporated into the transfer of duties and responsibilities in Laws 2023, chapter 70, article 12, section 30, and the commissioner shall give the notices of when the transfer is effective as required by Laws 2023, chapter 70, article 12, section 30, subdivision 1.

ARTICLE 14
HOUSING AND HOMELESSNESS

Section 1. **EMERGENCY SHELTER NEEDS ANALYSIS FOR TRANSGENDER ADULTS EXPERIENCING HOMELESSNESS.**

(a) The commissioner of human services must contract with Propel Nonprofits to conduct a needs analysis for emergency shelter serving transgender adults experiencing homelessness and to conduct site analysis and develop a plan for building the emergency shelter. Propel Nonprofits may contract or consult with other vendors or entities as necessary to complete any portion of the needs analysis and site analysis.

(b) No later than March 1, 2025, Propel Nonprofits must submit a written report to the commissioner with the results of the needs analysis and preliminary recommendations for site locations. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over services for persons experiencing homelessness within five business days of receiving the report.

Sec. 2. **PREGNANT AND PARENTING HOMELESS YOUTH STUDY.**

(a) The commissioner of human services must contract with the Wilder Foundation to conduct a study of:

(1) the statewide numbers and unique needs of pregnant and parenting youth experiencing homelessness; and

(2) best practices in supporting pregnant and parenting homeless youth within programming, emergency shelter, and housing settings.

(b) The Wilder Foundation must submit a final report to the commissioner by December 31, 2025. The commissioner shall submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over homeless youth services finance and policy.

Sec. 3. **REVIVAL AND REENACTMENT.**

Minnesota Statutes 2022, section 256B.051, subdivision 7, is revived and reenacted effective retroactively from August 1, 2023. Any time frames within or dependent on the subdivision are based on the original effective date in Laws 2017, First Special Session chapter 6, article 2, section 10.

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

Sec. 4. **REPEALER.**

Laws 2023, chapter 25, section 190, subdivision 10, is repealed.

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

ARTICLE 15
CHILD CARE LICENSING

Section 1. **[142B.171] CHILD CARE WEIGHTED RISK SYSTEM.**

Subdivision 1. **Implementation.** The commissioner shall develop and implement a child care weighted risk system that provides a tiered licensing enforcement framework for child care licensing requirements in this chapter or Minnesota Rules, chapter 9502 or 9503.

Subd. 2. **Documented technical assistance.** (a) In lieu of a correction order under section 142B.16, the commissioner shall provide documented technical assistance to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be low risk as determined by the child care weighted risk system;

(2) the noncompliance does not imminently endanger the health, safety, or rights of the persons served by the program; and

(3) the license holder did not receive documented technical assistance or a correction order for the same violation at the license holder's most recent annual licensing inspection.

(b) Documented technical assistance must include communication from the commissioner to the license holder that:

(1) states the conditions that constitute a violation of a law or rule;

(2) references the specific law or rule violated; and

(3) explains remedies for correcting the violation.

(c) The commissioner shall not publicly publish documented technical assistance on the department's website.

Sec. 2. Minnesota Statutes 2022, section 245A.065, is amended to read:

245A.065 CHILD CARE FIX-IT TICKET.

Subdivision 1. **Fix-it ticket.** (a) In lieu of a correction order under section 245A.06, the commissioner shall issue a fix-it ticket to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be eligible for a fix-it ticket;

(2) the violation does not imminently endanger the health, safety, or rights of the persons served by the program;

(3) the license holder did not receive a fix-it ticket or correction order for the violation at the license holder's last licensing inspection;

(4) the violation can be corrected at the time of inspection or within 48 hours, excluding Saturdays, Sundays, and holidays; and

(5) the license holder corrects the violation at the time of inspection or agrees to correct the violation within 48 hours, excluding Saturdays, Sundays, and holidays.

(b) The fix-it ticket must state:

(1) the conditions that constitute a violation of the law or rule;

(2) the specific law or rule violated; and

(3) that the violation was corrected at the time of inspection or must be corrected within 48 hours, excluding Saturdays, Sundays, and holidays.

(c) The commissioner shall not publicly publish a fix-it ticket on the department's website.

(d) Within 48 hours, excluding Saturdays, Sundays, and holidays, of receiving a fix-it ticket, the license holder must correct the violation and within one week submit evidence to the licensing agency that the violation was corrected.

(e) If the violation is not corrected at the time of inspection or within 48 hours, excluding Saturdays, Sundays, and holidays, or the evidence submitted is insufficient to establish that the license holder corrected the violation, the commissioner must issue a correction order for the violation of Minnesota law or rule identified in the fix-it ticket according to section 245A.06.

Subd. 2. **Expiration.** This section expires upon the implementation of the child care weighted risk system in section 142B.171. The commissioner of children, youth, and families shall notify the revisor of statutes when the system has been implemented.

Sec. 3. Minnesota Statutes 2023 Supplement, section 245A.50, subdivision 3, is amended to read:

Subd. 3. **First aid.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training include individuals approved as first aid instructors. License holders, second adult caregivers, and substitutes must repeat pediatric first aid training every two years within 90 days of the date the training was previously taken. ~~License holders, second adult caregivers, and substitutes must not let the training expire.~~

(b) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

Sec. 4. Minnesota Statutes 2023 Supplement, section 245A.50, subdivision 4, is amended to read:

Subd. 4. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction. License holders, second adult caregivers, and substitutes must repeat pediatric CPR training at least once every two years within 90 days of the date the training was previously taken, and the training must ~~document the training~~ be documented in the license holder's records. ~~License holders, second adult caregivers, and substitutes must not let the training expire.~~

(b) Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

ARTICLE 16
DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Section 1. Minnesota Statutes 2022, section 125A.63, subdivision 5, is amended to read:

Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a) The coordinator shall:

(1) collaborate with the early hearing detection and intervention coordinator for the Department of Health, deaf and hard-of-hearing state specialist, and the Department of Health Early Hearing Detection and Intervention Advisory Council;

(2) coordinate and support Department of Education and Department of Children, Youth, and Families early hearing detection and intervention teams;

(3) leverage resources by serving as a liaison between interagency early intervention committees; part C coordinators from the Departments of Education, Health, and Human Services; Department of Education regional low-incidence facilitators; service coordinators from school districts; Minnesota children with special health needs in the Department of Health; public health nurses; child find; Department of Human Services Deaf and Hard-of-Hearing Services Division; and others as appropriate;

(4) identify, support, and promote culturally appropriate and evidence-based early intervention practices for infants with hearing loss, and provide training, outreach, and use of technology to increase consistency in statewide service provision;

(5) identify culturally appropriate specialized reliable and valid instruments to assess and track the progress of children with hearing loss and promote their use;

(6) ensure that early childhood providers, parents, and members of the individual family service and intervention plan are provided with child progress data resulting from specialized assessments;

(7) educate early childhood providers and teachers of the deaf and hard-of-hearing to use developmental data from specialized assessments to plan and adjust individual family service plans; and

(8) make recommendations that would improve educational outcomes to the early hearing detection and intervention committee, the commissioners of education; children, youth, and families; and health, the Commission of the Deaf, DeafBlind and Hard of Hearing, and the advisory council for the deaf and hard-of-hearing.

(b) The Department of Education and Department of Children, Youth, and Families must provide aggregate data regarding outcomes of deaf and hard-of-hearing children who receive early intervention services within the state in accordance with the state performance plan.

Sec. 2. **[142A.045] CHILDREN, YOUTH, AND FAMILIES INTERGOVERNMENTAL ADVISORY COMMITTEE.**

(a) An intergovernmental advisory committee is established to provide advice, consultation, and recommendations to the commissioner on the planning, design, administration, funding, and evaluation of services to children, youth, and families. Each of Minnesota's federally recognized Tribal Nations may, but is not required to, participate in the advisory committee required under this section. Notwithstanding section 15.059, the commissioner, each participating Tribal Nation, the Association of Minnesota Counties, and the Minnesota Association of County Social Services Administrators must codevelop and execute a process to administer the committee that ensures each participating Tribal Nation and each county are represented. The committee must meet at least quarterly and special meetings may be called by the committee chair or a majority of the members. A Tribal Nation may elect to participate at any time.

(b) Subject to section 15.059, the commissioner may reimburse committee members or their alternates for allowable expenses while engaged in their official duties as committee members.

(c) Notwithstanding section 15.059, the intergovernmental advisory committee does not expire.

(d) In addition to the requirements under this section, the commissioner must implement a Tribal consultation process under section 10.65 to ensure recognition of the unique legal relationship between the state of Minnesota and Minnesota Tribal governments.

Sec. 3. **[142B.47] TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH AND ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.**

(a) Licensed child foster care providers that care for infants or children through five years of age must document that before caregivers assist in the care of infants or children through five years of age, they are instructed on the standards in section 142B.46 and receive training on reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. This section does not apply to emergency relative placement under section 142B.06. The training on reducing the risk of sudden unexpected infant death and abusive head trauma may be provided as:

(1) orientation training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) Training for child foster care providers must be approved by the county or private licensing agency that is responsible for monitoring the child foster care provider under section 142B.30. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

Sec. 4. Minnesota Statutes 2022, section 144.966, subdivision 2, is amended to read:

Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner of health shall establish a Newborn Hearing Screening Advisory Committee to advise and assist the Department of Health; Department of Children, Youth, and Families; and the Department of Education in:

(1) developing protocols and timelines for screening, rescreening, and diagnostic audiological assessment and early medical, audiological, and educational intervention services for children who are deaf or hard-of-hearing;

(2) designing protocols for tracking children from birth through age three that may have passed newborn screening but are at risk for delayed or late onset of permanent hearing loss;

(3) designing a technical assistance program to support facilities implementing the screening program and facilities conducting rescreening and diagnostic audiological assessment;

(4) designing implementation and evaluation of a system of follow-up and tracking; and

(5) evaluating program outcomes to increase effectiveness and efficiency and ensure culturally appropriate services for children with a confirmed hearing loss and their families.

(b) The commissioner of health shall appoint at least one member from each of the following groups with no less than two of the members being deaf or hard-of-hearing:

(1) a representative from a consumer organization representing culturally deaf persons;

(2) a parent with a child with hearing loss representing a parent organization;

(3) a consumer from an organization representing oral communication options;

(4) a consumer from an organization representing cued speech communication options;

(5) an audiologist who has experience in evaluation and intervention of infants and young children;

(6) a speech-language pathologist who has experience in evaluation and intervention of infants and young children;

(7) two primary care providers who have experience in the care of infants and young children, one of which shall be a pediatrician;

(8) a representative from the early hearing detection intervention teams;

(9) a representative from the Department of Education resource center for the deaf and hard-of-hearing or the representative's designee;

(10) a representative of the Commission of the Deaf, DeafBlind and Hard of Hearing;

(11) a representative from the Department of Human Services Deaf and Hard-of-Hearing Services Division;

(12) one or more of the Part C coordinators from the Department of Education~~,~~; the Department of Health~~,~~; the Department of Children, Youth, and Families; or the Department of Human Services or the department's designees;

(13) the Department of Health early hearing detection and intervention coordinators;

(14) two birth hospital representatives from one rural and one urban hospital;

(15) a pediatric geneticist;

(16) an otolaryngologist;

(17) a representative from the Newborn Screening Advisory Committee under this subdivision;

(18) a representative of the Department of Education regional low-incidence facilitators;

(19) a representative from the deaf mentor program; and

(20) a representative of the Minnesota State Academy for the Deaf from the Minnesota State Academies staff.

The commissioner must complete the initial appointments required under this subdivision by September 1, 2007, and the initial appointments under clauses (19) and (20) by September 1, 2019.

(c) The Department of Health member shall chair the first meeting of the committee. At the first meeting, the committee shall elect a chair from its membership. The committee shall meet at the call of the chair, at least four times a year. The committee shall adopt written bylaws to govern its activities. The Department of Health shall provide technical and administrative support services as required by the committee. These services shall include technical support from individuals qualified to administer infant hearing screening, rescreening, and diagnostic audiological assessments.

Members of the committee shall receive no compensation for their service, but shall be reimbursed as provided in section 15.059 for expenses incurred as a result of their duties as members of the committee.

(d) By February 15, 2015, and by February 15 of the odd-numbered years after that date, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and data privacy on the activities of the committee that have occurred during the past two years.

(e) This subdivision expires June 30, 2025.

Sec. 5. Minnesota Statutes 2022, section 245.975, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The ombudsperson's duties shall include:

(1) advocating on behalf of a family child care provider to address all areas of concern related to the provision of child care services, including licensing monitoring activities, licensing actions, and other interactions with state and county licensing staff;

(2) providing recommendations for family child care improvement or family child care provider education;

(3) operating a telephone line to answer questions, receive complaints, and discuss agency actions when a family child care provider believes that the provider's rights or program may have been adversely affected; and

(4) assisting a family child care license applicant with navigating the application process.

(b) The ombudsperson must report annually by December 31 to the commissioner <u>of children, youth, and families</u> and the chairs and ranking minority members of the legislative committees with jurisdiction over child care on the services provided by the ombudsperson to child care providers, including the number and locations of child care providers served and the activities of the ombudsperson in carrying out the duties under this section. The commissioner shall determine the form of the report and may specify additional reporting requirements.

Sec. 6. Minnesota Statutes 2022, section 245.975, subdivision 4, is amended to read:

Subd. 4. **Access to records.** (a) The ombudsperson or designee, excluding volunteers, has access to any data of a state agency necessary for the discharge of the ombudsperson's duties, including records classified as confidential data on individuals or private data on individuals under chapter 13 or any other law. The ombudsperson's data request must relate to a specific case and is subject to section 13.03, subdivision 4. If the data concerns an individual, the ombudsperson or designee shall first obtain the individual's consent. If the individual is unable to consent and has no parent or legal guardian, then the ombudsperson's or designee's access to the data is authorized by this section.

(b) The ombudsperson and designees must adhere to the Minnesota Government Data Practices Act and must not disseminate any private or confidential data on individuals unless specifically authorized by state, local, or federal law or pursuant to a court order.

(c) The commissioner <u>of human services; the commissioner of children, youth, and families;</u> and any county agency must provide the ombudsperson copies of all fix-it tickets, correction orders, and licensing actions issued to family child care providers.

Sec. 7. Minnesota Statutes 2022, section 245.975, subdivision 9, is amended to read:

Subd. 9. **Posting.** (a) The commissioner of children, youth, and families shall post on the department's website the mailing address, email address, and telephone number for the office of the ombudsperson. The commissioner shall provide family child care providers with the mailing address, email address, and telephone number of the ombudsperson's office on the family child care licensing website and upon request of a family child care applicant or provider. Counties must provide family child care applicants and providers with the name, mailing address, email address, and telephone number of the ombudsperson's office upon request.

(b) The ombudsperson must approve all postings and notices required by the department and counties under this subdivision.

Sec. 8. Minnesota Statutes 2022, section 245A.10, subdivision 1, as amended by Laws 2024, chapter 80, article 2, section 48, is amended to read:

Subdivision 1. **Application or license fee required, programs exempt from fee.** (a) Unless exempt under paragraph (b), the commissioner shall charge a fee for evaluation of applications and inspection of programs which are licensed under this chapter.

(b) Except as provided under subdivision 2, no application or license fee shall be charged for a child foster residence setting, adult foster care, or a community residential setting.

Sec. 9. Minnesota Statutes 2022, section 245A.10, subdivision 2, as amended by Laws 2024, chapter 80, article 2, section 49, is amended to read:

Subd. 2. **County fees for applications and licensing inspections.** (a) For purposes of adult foster care and child foster residence setting licensing and licensing the physical plant of a community residential setting, under this chapter, a county agency may charge a fee to a corporate applicant or corporate license holder to recover the actual cost of licensing inspections, not to exceed $500 annually.

(b) Counties may elect to reduce or waive the fees in paragraph (a) under the following circumstances:

(1) in cases of financial hardship;

(2) if the county has a shortage of providers in the county's area; or

(3) for new providers.

Sec. 10. Minnesota Statutes 2022, section 245A.144, is amended to read:

245A.144 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH AND ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.

(a) Licensed child foster care providers that care for infants or children through five years of age must document that before staff persons ~~and caregivers~~ assist in the care of infants or children through five years of age, they are instructed on the standards in section ~~245A.1435~~ 142B.46 and receive training on reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. ~~This section does not apply to emergency relative placement under section 245A.035.~~ The training on reducing the risk of sudden unexpected infant death and abusive head trauma may be provided as:

(1) orientation training to child foster care providers, who care for infants or children through five years of age, under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers, who care for infants or children through five years of age, under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) Training for child foster care providers must be approved by the county ~~or private licensing agency~~ that is responsible for monitoring the child foster care provider under section 245A.16. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

Sec. 11. Minnesota Statutes 2023 Supplement, section 245A.16, subdivision 1, as amended by Laws 2024, chapter 80, article 2, section 65, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been designated by the commissioner to perform licensing functions and activities under section 245A.04; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) ~~dual licensure of family child foster care and family adult foster care,~~ dual licensure of child foster residence setting and community residential setting~~, and dual licensure of family adult foster care and family child care~~;

(2) until the responsibility for family child foster care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family child foster care and family adult foster care;

(3) until the responsibility for family child care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family adult foster care and family child care;

(4) adult foster care maximum capacity;

~~(3)~~ (5) adult foster care minimum age requirement;

~~(4)~~ (6) child foster care maximum age requirement;

~~(5)~~ (7) variances regarding disqualified individuals;

~~(6)~~ (8) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

~~(7)~~ (9) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

~~(8)~~ (10) variances to section 142B.46 for the use of a cradleboard for a cultural accommodation.

(b) Once the respective responsibilities transfer from the commissioner of human services to the commissioner of children, youth, and families, under Laws 2023, chapter 70, article 12, section 30, the commissioners of human services and children, youth, and families must both approve a variance for dual licensure of family child foster care and family adult foster care or family adult foster care and family child care. Variances under this paragraph are excluded from the delegation of variance authority and may be issued only by both commissioners.

~~(b)~~ (c) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

~~(c)~~ (d) A license issued under this section may be issued for up to two years.

~~(d)~~ (e) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

~~(e)~~ (f) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

Sec. 12. Minnesota Statutes 2022, section 245A.175, is amended to read:

245A.175 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.

Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and ~~caregivers in foster family and treatment foster care settings,~~ and all staff providing care in foster residence settings must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one hour of the annual training requirement for the ~~foster family license holder and caregivers, and~~ foster residence staff must be on children's mental health issues and treatment. Except for providers and services under chapter 245D, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. ~~Short-term substitute caregivers are exempt from these requirements.~~ Training curriculum shall be approved by the commissioner of human services.

Sec. 13. Minnesota Statutes 2023 Supplement, section 245A.66, subdivision 4, as amended by Laws 2024, chapter 80, article 2, section 73, is amended to read:

Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training required by the applicable licensing rules and statutes, children's residential facility license holders must provide a training annually on the maltreatment of minors reporting requirements and definitions in chapter 260E to each mandatory reporter, as described in section 260E.06, subdivision 1.

(b) In addition to the orientation training required by the applicable licensing rules and statutes, all foster residence setting staff and volunteers that are mandatory reporters as described in section 260E.06, subdivision 1, must complete training each year on the maltreatment of minors reporting requirements and definitions in chapter 260E.

Sec. 14. Minnesota Statutes 2022, section 256.029, as amended by Laws 2024, chapter 80, article 1, section 66, is amended to read:

256.029 DOMESTIC VIOLENCE INFORMATIONAL BROCHURE.

(a) The commissioner shall provide a domestic violence informational brochure that provides information about the existence of domestic violence waivers for eligible public assistance applicants to all applicants of general assistance, medical assistance, and MinnesotaCare. The brochure must explain that eligible applicants may be temporarily waived from certain program requirements due to domestic violence. The brochure must provide information about services and other programs to help victims of domestic violence.

(b) The brochure must be funded with TANF funds.

(c) The commissioner must work with the commissioner of children, youth, and families to create a brochure that meets the requirements of this section and section 142G.05.

Sec. 15. Minnesota Statutes 2023 Supplement, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to (n) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) $100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) $2,000,000 is appropriated to the commissioner of human services for grants to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(e) $400,000 is appropriated to the commissioner of human services for competitive grants for opioid-focused Project ECHO programs.

(f) $277,000 in fiscal year 2024 and $321,000 each year thereafter is appropriated to the commissioner of human services to administer the funding distribution and reporting requirements in paragraph (o).

(g) $3,000,000 in fiscal year 2025 and $3,000,000 each year thereafter is appropriated to the commissioner of human services for safe recovery sites start-up and capacity building grants under section 254B.18.

(h) $395,000 in fiscal year 2024 and $415,000 each year thereafter is appropriated to the commissioner of human services for the opioid overdose surge alert system under section 245.891.

(i) $300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

(j) $261,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (n).

(k) $126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(l) $672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining amount is appropriated to the commissioner of ~~human services~~ children, youth, and families for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects based on out-of-home placement episodes where parental drug abuse is the primary reason for the out-of-home placement using data from the previous calendar year. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

(n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

(o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph (m) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n) may be distributed on a calendar year basis.

(p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

Sec. 16. Minnesota Statutes 2023 Supplement, section 256.043, subdivision 3a, is amended to read:

Subd. 3a. **Appropriations from settlement account.** (a) The appropriations in paragraphs (b) to (e) shall be made from the settlement account on a fiscal year basis in the order specified.

(b) If the balance in the registration and license fee account is not sufficient to fully fund the appropriations specified in subdivision 3, paragraphs (b) to (l), an amount necessary to meet any insufficiency shall be transferred from the settlement account to the registration and license fee account to fully fund the required appropriations.

(c) $209,000 in fiscal year 2023 and $239,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services for the administration of grants awarded under paragraph (e). $276,000 in fiscal year 2023 and $151,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services to collect, collate, and report data submitted and to monitor compliance with reporting and settlement expenditure requirements by grantees awarded grants under this section and municipalities receiving direct payments from a statewide opioid settlement agreement as defined in section 256.042, subdivision 6.

(d) After any appropriations necessary under paragraphs (b) and (c) are made, an amount equal to the calendar year allocation to Tribal social service agency initiative projects under subdivision 3, paragraph (m), is appropriated from the settlement account to the commissioner of ~~human services~~ children, youth, and families for distribution to Tribal social service agency initiative projects to provide child protection services to children and families who are affected by addiction. The requirements related to proportional distribution, annual reporting, and maintenance of effort specified in subdivision 3, paragraph (m), also apply to the appropriations made under this paragraph.

(e) After making the appropriations in paragraphs (b), (c), and (d), the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042.

(f) Funds for Tribal social service agency initiative projects under paragraph (d) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (e) may be distributed on a calendar year basis.

(g) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (d) and (e) are available for three years after the funds are appropriated.

Sec. 17. Minnesota Statutes 2023 Supplement, section 256.045, subdivision 3, as amended by Laws 2024, chapter 79, article 3, section 3, and Laws 2024, chapter 80, article 1, section 67, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

(1) any person:

(i) applying for, receiving or having received public assistance, medical care, or a program of social services administered by the commissioner or a county agency on behalf of the commissioner; and

(ii) whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any patient or relative aggrieved by an order of the commissioner under section 252.27;

(3) a party aggrieved by a ruling of a prepaid health plan;

(4) except as provided under chapter 245C, any individual or facility determined by a lead investigative agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557;

(5) any person to whom a right of appeal according to this section is given by other provision of law;

(6) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;

(7) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

(8) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under chapter 260E, after the individual or facility has exercised the right to administrative reconsideration under chapter 260E;

~~(8)~~ (9) except as provided under chapter 245C ~~and except for a subject of a background study that the commissioner has conducted on behalf of another agency for a program or facility not otherwise overseen by the commissioner~~, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision

issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 260E.06, subdivision 1, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (8) ~~or section 142A.20, subdivision 3, clause (4)~~, and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;

~~(9)~~ (10) any person with an outstanding debt resulting from receipt of public assistance administered by the commissioner or medical care who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;

~~(10)~~ (11) a person issued a notice of service termination under section 245D.10, subdivision 3a, by a licensed provider of any residential supports or services listed in section 245D.03, subdivision 1, paragraphs (b) and (c), that is not otherwise subject to appeal under subdivision 4a;

~~(11)~~ (12) an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914;

~~(12)~~ (13) a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a; or

~~(13)~~ (14) a recovery community organization seeking medical assistance vendor eligibility under section 254B.01, subdivision 8, that is aggrieved by a membership or accreditation determination and that believes the organization meets the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10). The scope of the review by the human services judge shall be limited to whether the organization meets each of the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10).

(b) The hearing for an individual or facility under paragraph (a), clause (4), (8), or (9), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a), clause (8), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), clause (4), (8), or (9), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under section 142A.20, subdivision 2, clause (2), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

~~(d)~~ (e) The scope of hearings under paragraph (a), clauses (11) and (13), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) and (e), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

~~(e)~~ (f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

~~(f)~~ (g) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

~~(g)~~ (h) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law, except in matters covered by paragraph ~~(h)~~ (i).

~~(h)~~ (i) When the subject of an administrative review is a matter within the jurisdiction of the direct care and treatment executive board as a part of the board's powers and duties under chapter 246C, the executive board may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

~~(i)~~ (j) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 18. Minnesota Statutes 2022, section 256.045, subdivision 3b, as amended by Laws 2024, chapter 80, article 1, section 68, is amended to read:

Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.** (a) The state human services judge shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under section 626.557 and chapter 260E. For purposes of hearings regarding disqualification, the state human services judge shall affirm the proposed disqualification in an appeal under subdivision 3, paragraph (a), clause (9), if a preponderance of the evidence shows the individual has:

(1) committed maltreatment under section 626.557 or chapter 260E that is serious or recurring;

(2) committed an act or acts meeting the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or

(3) failed to make required reports under section 626.557 or chapter 260E, for incidents in which the final disposition under section 626.557 or chapter 260E was substantiated maltreatment that was serious or recurring.

(b) If the disqualification is affirmed, the state human services judge shall determine whether the individual poses a risk of harm in accordance with the requirements of section 245C.22, and whether the disqualification should be set aside or not set aside. In determining whether the disqualification should be set aside, the human

services judge shall consider all of the characteristics that cause the individual to be disqualified, including those characteristics that were not subject to review under paragraph (a), in order to determine whether the individual poses a risk of harm. A decision to set aside a disqualification that is the subject of the hearing constitutes a determination that the individual does not pose a risk of harm and that the individual may provide direct contact services in the individual program specified in the set aside.

(c) If a disqualification is based solely on a conviction or is conclusive for any reason under section 245C.29, the disqualified individual does not have a right to a hearing under this section.

(d) The state human services judge shall recommend an order to the commissioner of health~~,~~; education~~,~~; children, youth, and families; or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapters 245A and 245C and sections 144.50 to 144.58 and 144A.02 to 144A.482, the commissioner's determination as to maltreatment is conclusive, as provided under section 245C.29.

Sec. 19. Minnesota Statutes 2022, section 256.045, subdivision 5, as amended by Laws 2024, chapter 79, article 3, section 4, is amended to read:

Subd. 5. **Orders of the commissioner of human services.** (a) Except as provided for under subdivision 5a for matters under the jurisdiction of the direct care and treatment executive board and for hearings held under section 142A.20, subdivision 2, a state human services judge shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A human services judge may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services judge and issue the order to the county agency and the applicant, recipient, former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services judge, shall notify the petitioner, the agency, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the petitioner, the agency, or prepaid health plan.

(b) A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for reconsideration may include legal argument and proposed additional evidence supporting the request. If proposed additional evidence is submitted, the person must explain why the proposed additional evidence was not provided at the time of the hearing. If reconsideration is granted, the other participants must be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

(c) Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency, a county agency, or a prepaid health plan according to subdivision 3a, until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

(d) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing or seek judicial review of an order issued under this section, unless assisting a recipient as provided in subdivision 4. A prepaid health plan is a party to an appeal under subdivision 3a, but cannot seek judicial review of an order issued under this section.

Sec. 20. Minnesota Statutes 2022, section 256.045, subdivision 7, as amended by Laws 2024, chapter 79, article 3, section 7, is amended to read:

Subd. 7. **Judicial review.** Except for a prepaid health plan, any party who is aggrieved by an order of the commissioner of human services~~,~~; the commissioner of health; or the commissioner of children, youth, and families in appeals within the commissioner's jurisdiction under subdivision 3b~~,~~; or the direct care and treatment executive board in appeals within the jurisdiction of the executive board under subdivision 5a may appeal the order to the district court of the county responsible for furnishing assistance, or, in appeals under subdivision 3b, the county where the maltreatment occurred, by serving a written copy of a notice of appeal upon the applicable commissioner or executive board and any adverse party of record within 30 days after the date the commissioner or executive board issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision, with the exception of appeals taken under subdivision 3b. The applicable commissioner or executive board may elect to become a party to the proceedings in the district court. Except for appeals under subdivision 3b, any party may demand that the commissioner or executive board furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the human services judge, by serving a written demand upon the applicable commissioner or executive board within 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner or executive board under subdivisions 5 or 5a may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Sec. 21. Minnesota Statutes 2022, section 256.0451, subdivision 1, as amended by Laws 2024, chapter 80, article 1, section 72, is amended to read:

Subdivision 1. **Scope.** (a) The requirements in this section apply to all fair hearings and appeals under ~~section~~ sections 142A.20, subdivision 2, and 256.045, subdivision 3, paragraph (a), clauses (1), (2), (3), (5), (6), (7), ~~(8),~~ ~~(11)~~ (10), and ~~(13)~~ (12). Except as provided in subdivisions 3 and 19, the requirements under this section apply to fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), (8), (9), ~~(10),~~ and ~~(12)~~ (11).

(b) For purposes of this section, "person" means an individual who, on behalf of themselves or their household, is appealing or disputing or challenging an action, a decision, or a failure to act, by an agency in the human services system. When a person involved in a proceeding under this section is represented by an attorney or by an authorized representative, the term "person" also means the person's attorney or authorized representative. Any notice sent to the person involved in the hearing must also be sent to the person's attorney or authorized representative.

(c) For purposes of this section, "agency" means the county human services agency, the state human services agency, and, where applicable, any entity involved under a contract, subcontract, grant, or subgrant with the state agency or with a county agency, that provides or operates programs or services in which appeals are governed by section 256.045.

Sec. 22. Minnesota Statutes 2022, section 256.0451, subdivision 22, is amended to read:

Subd. 22. **Decisions.** A timely, written decision must be issued in every appeal. Each decision must contain a clear ruling on the issues presented in the appeal hearing and should contain a ruling only on questions directly presented by the appeal and the arguments raised in the appeal.

(a) A written decision must be issued within 90 days of the date the person involved requested the appeal unless a shorter time is required by law. An additional 30 days is provided in those cases where the commissioner refuses to accept the recommended decision. In appeals of maltreatment determinations or disqualifications filed pursuant to section 256.045, subdivision 3, paragraph (a), clause (4), (8), or (9), ~~or (10),~~ that also give rise to possible

licensing actions, the 90-day period for issuing final decisions does not begin until the later of the date that the licensing authority provides notice to the appeals division that the authority has made the final determination in the matter or the date the appellant files the last appeal in the consolidated matters.

(b) The decision must contain both findings of fact and conclusions of law, clearly separated and identified. The findings of fact must be based on the entire record. Each finding of fact made by the human services judge shall be supported by a preponderance of the evidence unless a different standard is required under the regulations of a particular program. The "preponderance of the evidence" means, in light of the record as a whole, the evidence leads the human services judge to believe that the finding of fact is more likely to be true than not true. The legal claims or arguments of a participant do not constitute either a finding of fact or a conclusion of law, except to the extent the human services judge adopts an argument as a finding of fact or conclusion of law.

The decision shall contain at least the following:

(1) a listing of the date and place of the hearing and the participants at the hearing;

(2) a clear and precise statement of the issues, including the dispute under consideration and the specific points which must be resolved in order to decide the case;

(3) a listing of the material, including exhibits, records, reports, placed into evidence at the hearing, and upon which the hearing decision is based;

(4) the findings of fact based upon the entire hearing record. The findings of fact must be adequate to inform the participants and any interested person in the public of the basis of the decision. If the evidence is in conflict on an issue which must be resolved, the findings of fact must state the reasoning used in resolving the conflict;

(5) conclusions of law that address the legal authority for the hearing and the ruling, and which give appropriate attention to the claims of the participants to the hearing;

(6) a clear and precise statement of the decision made resolving the dispute under consideration in the hearing; and

(7) written notice of the right to appeal to district court or to request reconsideration, and of the actions required and the time limits for taking appropriate action to appeal to district court or to request a reconsideration.

(c) The human services judge shall not independently investigate facts or otherwise rely on information not presented at the hearing. The human services judge may not contact other agency personnel, except as provided in subdivision 18. The human services judge's recommended decision must be based exclusively on the testimony and evidence presented at the hearing, and legal arguments presented, and the human services judge's research and knowledge of the law.

(d) The commissioner will review the recommended decision and accept or refuse to accept the decision according to section 142A.20, subdivision 3, or 256.045, subdivision 5.

Sec. 23. Minnesota Statutes 2022, section 256.0451, subdivision 24, is amended to read:

Subd. 24. **Reconsideration.** (a) Reconsideration may be requested within 30 days of the date of the commissioner's final order. If reconsideration is requested under section 142A.20, subdivision 3, or 256.045, subdivision 5, the other participants in the appeal shall be informed of the request. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for

reconsideration may include legal argument and may include proposed additional evidence supporting the request. The other participants shall be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond.

(b) When the requesting party raises a question as to the appropriateness of the findings of fact, the commissioner shall review the entire record.

(c) When the requesting party questions the appropriateness of a conclusion of law, the commissioner shall consider the recommended decision, the decision under reconsideration, and the material submitted in connection with the reconsideration. The commissioner shall review the remaining record as necessary to issue a reconsidered decision.

(d) The commissioner shall issue a written decision on reconsideration in a timely fashion. The decision must clearly inform the parties that this constitutes the final administrative decision, advise the participants of the right to seek judicial review, and the deadline for doing so.

Sec. 24. Minnesota Statutes 2022, section 256.046, subdivision 2, as amended by Laws 2024, chapter 80, article 1, section 75, is amended to read:

Subd. 2. **Combined hearing.** ~~(a)~~ The human services judge may combine a fair hearing under section 142A.20 or 256.045 and administrative fraud disqualification hearing under this section or section 142A.27 into a single hearing if the factual issues arise out of the same, or related, circumstances~~; the commissioner of human services has jurisdiction over at least one of the hearings;~~ and the individual receives prior notice that the hearings will be combined. If the administrative fraud disqualification hearing and fair hearing are combined, the time frames for administrative fraud disqualification hearings specified in Code of Federal Regulations, title 7, section 273.16, apply. If the individual accused of wrongfully obtaining assistance is charged under section 256.98 for the same act or acts which are the subject of the hearing, the individual may request that the hearing be delayed until the criminal charge is decided by the court or withdrawn.

~~(b) The human services judge must conduct any hearings under section 142A.20 or 142A.27 pursuant to the relevant laws and rules governing children, youth, and families judges.~~

Sec. 25. Minnesota Statutes 2023 Supplement, section 256M.42, is amended by adding a subdivision to read:

Subd. 7. **Adult protection grant allocation under Reform 2020.** The requirements of subdivisions 2 to 6 apply to the Reform 2020 adult protection state grants in Minnesota Statutes 2013 Supplement, section 256M.40, subdivision 1, and Laws 2013, chapter 108, article 15. The Reform 2020 state adult protection grant must be allocated annually consistent with the calendar year 2023 allocation made under section 256M.40.

Sec. 26. Laws 2023, chapter 70, article 12, section 30, subdivision 2, is amended to read:

Subd. 2. **Department of Human Services.** The powers and duties of the Department of Human Services with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:

(1) family services and community-based collaboratives under Minnesota Statutes, section 124D.23;

(2) child care programs under Minnesota Statutes, chapter 119B;

(3) Parent Aware quality rating and improvement system under Minnesota Statutes, section 124D.142;

(4) migrant child care services under Minnesota Statutes, section 256M.50;

(5) early childhood and school-age professional development training under Laws 2007, chapter 147, article 2, section 56;

(6) licensure of family child care and child care centers, child foster care, and private child placing agencies under Minnesota Statutes, chapter 245A;

(7) certification of license-exempt child care centers under Minnesota Statutes, chapter 245H;

(8) program integrity and fraud related to the Child Care Assistance Program (CCAP), the Minnesota Family Investment Program (MFIP), and the Supplemental Nutrition Assistance Program (SNAP) under Minnesota Statutes, chapters 119B and 245E;

(9) SNAP under Minnesota Statutes, sections 256D.60 to 256D.63;

(10) electronic benefit transactions under Minnesota Statutes, sections 256.9862, 256.9863, 256.9865, 256.987, 256.9871, 256.9872, and 256J.77;

(11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;

(12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;

(13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;

(14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;

(15) ~~resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6~~ American Indian food sovereignty program under Minnesota Statutes, section 256E.342;

(16) child abuse under Minnesota Statutes, chapter 256E;

(17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 260E;

(18) children in voluntary foster care for treatment under Minnesota Statutes, chapter 260D;

(19) juvenile safety and placement under Minnesota Statutes, chapter 260C;

(20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections 260.751 to 260.835;

(21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515, and the Interstate Compact on the Placement of Children under Minnesota Statutes, sections 260.851 to 260.93;

(22) adoption under Minnesota Statutes, sections 259.20 to 259.89;

(23) Northstar Care for Children under Minnesota Statutes, chapter 256N;

(24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259, 518, 518A, 518C, 551, 552, 571, and 588, and Minnesota Statutes, section 609.375;

(25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32; ~~and~~

(26) Family Assets for Independence in Minnesota under Minnesota Statutes, section 256E.35~~.~~;

(27) capital for emergency food distribution facilities under Laws 2023, chapter 70, article 20, section 2, subdivision 24, paragraph (i);

(28) community resource centers under Laws 2023, chapter 70, article 14, section 42;

(29) diaper distribution grant program under Minnesota Statutes, section 256E.38;

(30) Family First Prevention Services Act support and development grant program under Minnesota Statutes, section 256.4793;

(31) Family First Prevention Services Act kinship navigator program under Minnesota Statutes, section 256.4794;

(32) family first prevention and early intervention allocation program under Minnesota Statutes, section 260.014;

(33) grants for prepared meals food relief under Laws 2023, chapter 70, article 12, section 33;

(34) independent living skills for foster youth under Laws 2023, chapter 70, article 14, section 41;

(35) legacy adoption assistance under Minnesota Statutes, chapter 259A;

(36) quality parenting initiative grant program under Minnesota Statutes, section 245.0962;

(37) relative custody assistance under Minnesota Statutes, section 257.85;

(38) reimbursement to counties and Tribes for certain out-of-home placements under Minnesota Statutes, section 477A.0126; and

(39) Supplemental Nutrition Assistance Program outreach under Minnesota Statutes, section 256D.65.

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

Sec. 27. Laws 2023, chapter 70, article 12, section 30, subdivision 3, is amended to read:

Subd. 3. **Department of Education.** The powers and duties of the Department of Education with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:

(1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50 to 119A.545;

(2) the early childhood screening program under Minnesota Statutes, sections 121A.16 to 121A.19;

(3) early learning scholarships under Minnesota Statutes, section 124D.165;

(4) the interagency early childhood intervention system under Minnesota Statutes, sections 125A.259 to 125A.48;

(5) voluntary prekindergarten programs and school readiness plus programs under Minnesota Statutes, section 124D.151;

(6) early childhood family education programs under Minnesota Statutes, sections 124D.13 to 124D.135;

(7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; ~~and~~

(8) after-school community learning programs under Minnesota Statutes, section 124D.2211~~.~~; and

(9) grow your own program under Minnesota Statutes, section 122A.731.

Sec. 28. Laws 2024, chapter 80, article 1, section 38, subdivision 1, is amended to read:

Subdivision 1. **~~Children, youth, and families judges; appointment~~ Hearings held by the Department of Human Services.** ~~The commissioner of children, youth, and families may appoint one or more state children, youth, and families judges to conduct hearings and recommend orders in accordance with subdivisions 2, 3, and 5. Children, youth, and families judges designated pursuant to this section may administer oaths and shall be under the control and supervision of the commissioner of children, youth, and families and shall not be a part of the Office of Administrative Hearings established pursuant to sections 14.48 to 14.56. The commissioner shall only appoint as a full-time children, youth, and families judge an individual who is licensed to practice law in Minnesota and who is:~~

~~(1) in active status;~~

~~(2) an inactive resident;~~

~~(3) retired;~~

~~(4) on disabled status; or~~

~~(5) on retired senior status.~~

All state agency hearings under subdivision 2 must be heard by a human services judge pursuant to sections 256.045 and 256.0451.

Sec. 29. Laws 2024, chapter 80, article 1, section 38, subdivision 2, is amended to read:

Subd. 2. **State agency hearings.** ~~(a)~~ State agency hearings are available for the following:

(1) any person:

(i) applying for, receiving, or having received public assistance or a program of social services administered by the commissioner or a county agency on behalf of the commissioner or the federal Food and Nutrition Act; and

(ii) whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under chapter 260E is denied or not acted upon with reasonable promptness, regardless of funding source;

(3) any person to whom a right of appeal according to this section is given by other provision of law; and

~~(4) except as provided under chapter 142B, an individual or facility determined to have maltreated a minor under chapter 260E, after the individual or facility has exercised the right to administrative reconsideration under chapter 260E;~~

~~(5) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; of a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 260E.06, subdivision 1, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment shall be consolidated into a single fair hearing. In such cases, the scope of review by the children, youth, and families judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment; and~~

~~(6)~~ (4) any person with an outstanding debt resulting from receipt of public assistance or the federal Food and Nutrition Act who is contesting a setoff claim by the commissioner of children, youth, and families or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt.

~~(b) The hearing for an individual or facility under paragraph (a), clause (4) or (5), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. A hearing for an individual or facility under paragraph (a), clause (4) or (5), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.~~

~~(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.~~

~~(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (2), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.~~

~~(e) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.~~

~~(f) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.~~

~~(g) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 142A.21, subdivision 13, why the request was not submitted within the 30 day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.~~

Sec. 30. Laws 2024, chapter 80, article 1, section 38, subdivision 5, is amended to read:

Subd. 5. **Orders of the commissioner of children, youth, and families.** (a) A state ~~children, youth, and families~~ human services judge shall conduct a hearing on ~~the~~ an appeal of a matter listed in subdivision 2 and shall recommend an order to the commissioner of children, youth, and families. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A ~~children, youth, and families~~ state human services judge may take official notice of adjudicative facts. The commissioner of children, youth, and families may accept the recommended order of a state ~~children, youth, and families~~ human services judge and issue the order to the county agency and the applicant, recipient, or former recipient. If the commissioner refuses to accept the recommended order of the state ~~children, youth, and families~~ human services judge, the commissioner shall notify the petitioner or the agency of the commissioner's refusal and shall state reasons for the refusal. The commissioner shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the petitioner and the agency.

(b) A party aggrieved by an order of the commissioner may appeal under subdivision ~~7~~ 5 or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for reconsideration may include legal argument and proposed additional evidence supporting the request. If proposed additional evidence is submitted, the person must explain why the proposed additional evidence was not provided at the time of the hearing. If reconsideration is granted, the other participants must be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

(c) Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision ~~7~~ 5. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a county agency until the order is reversed by the district court or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision ~~10~~ 8.

(d) A vendor under contract with a county agency to provide social services is not a party and may not request a hearing or seek judicial review of an order issued under this section, unless assisting a recipient as provided in section 256.045, subdivision 4.

Sec. 31. Laws 2024, chapter 80, article 1, section 38, subdivision 6, is amended to read:

Subd. 6. **Additional powers of commissioner; subpoenas.** (a) The commissioner may initiate a review of any action or decision of a county agency and direct that the matter be presented to a state ~~children, youth, and families~~ human services judge for a hearing held under subdivision 2 or ~~3~~ section 256.045, subdivision 3b. In all matters dealing with children, youth, and families committed by law to the discretion of the county agency, the commissioner's judgment may be substituted for that of the county agency. The commissioner may order an independent examination when appropriate.

(b) Any party to a hearing held pursuant to subdivision 2 or ~~3~~ section 256.045, subdivision 3b, may request that the commissioner issue a subpoena to compel the attendance of witnesses and the production of records at the hearing. A local agency may request that the commissioner issue a subpoena to compel the release of information from third parties prior to a request for a hearing under section 142A.21 upon a showing of relevance to such a proceeding. The issuance, service, and enforcement of subpoenas under this subdivision is governed by section 357.22 and the Minnesota Rules of Civil Procedure.

~~(c) The commissioner may issue a temporary order staying a proposed demission by a residential facility licensed under chapter 142B:~~

~~(1) while an appeal by a recipient under subdivision 3 is pending; or~~

~~(2) for the period of time necessary for the case management provider to implement the commissioner's order.~~

Sec. 32. Laws 2024, chapter 80, article 1, section 38, subdivision 7, is amended to read:

Subd. 7. **Judicial review.** Any party who is aggrieved by an order of the commissioner of children, youth, and families may appeal the order to the district court of the county responsible for furnishing assistance, or, in appeals under section 256.045, subdivision ~~3~~ 3b, the county where the maltreatment occurred, by serving a written copy of a notice of appeal upon the commissioner and any adverse party of record within 30 days after the date the commissioner issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing. The court administrator shall not require a filing fee in appeals taken pursuant to this subdivision, except for appeals taken under section 256.045, subdivision ~~3~~ 3b. The commissioner may elect to become a party to the proceedings in the district court. Except for appeals under section 256.045, subdivision ~~3~~ 3b, any party may demand that the commissioner furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the ~~children, youth, and families~~ state human services judge, by serving a written demand upon the commissioner within 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner under subdivision 5 may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Sec. 33. Laws 2024, chapter 80, article 1, section 38, subdivision 9, is amended to read:

Subd. 9. **Appeal.** Any party aggrieved by the order of the district court may appeal the order as in other civil cases. Except for appeals under section 256.045, subdivision ~~3~~ 3b, no costs or disbursements shall be taxed against any party nor shall any filing fee or bond be required of any party.

Sec. 34. Laws 2024, chapter 80, article 1, section 96, is amended to read:

Sec. 96. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber sections or subdivisions in Column A as Column B.

Column A	Column B
256.01, subdivision 12	142A.03, subdivision 7
256.01, subdivision 12a	142A.03, subdivision 8
256.01, subdivision 15	142A.03, subdivision 10
256.01, subdivision 36	142A.03, subdivision 22
256.0112, subdivision 10	142A.07, subdivision 8
256.019, subdivision 2	142A.28, subdivision 2
256.4793	142A.45
256.4794	142A.451
256.82	142A.418
256.9831	142A.13, subdivision 14
256.9862, subdivision 1	142A.13, subdivision 10
256.9862, subdivision 2	142A.13, subdivision 11

256.9863	142A.13, subdivision 5
256.9865, subdivision 1	142A.13, subdivision 6
256.9865, subdivision 2	142A.13, subdivision 7
256.9865, subdivision 3	142A.13, subdivision 8
256.9865, subdivision 4	142A.13, subdivision 9
256.987, subdivision 2	142A.13, subdivision 2
256.987, subdivision 3	142A.13, subdivision 3
256.987, subdivision 4	142A.13, subdivision 4
256.9871	142A.13, subdivision 12
256.9872	142A.13, subdivision 13
256.997	142A.30
256.998	142A.29
256B.06, subdivision 6	142A.40
256E.20	142A.41
256E.21	142A.411
256E.22	142A.412
256E.24	142A.413
256E.25	142A.414
256E.26	142A.415
256E.27	142A.416
256E.28	142A.417
256E.37	142A.46
256E.38	142A.42
256N.001	142A.60
256N.01	142A.601
256N.02	142A.602
256N.20	142A.603
256N.21	142A.604
256N.22	142A.605
256N.23	142A.606
256N.24	142A.607
256N.25	142A.608
256N.26	142A.609
256N.261	142A.61
256N.27	142A.611
256N.28	142A.612
257.85	142A.65
257.175	142A.03, subdivision 32
257.33, subdivision 1	142A.03, subdivision 33
257.33, subdivision 2	142A.03, subdivision 34
260.014	142A.452
299A.72	142A.75
299A.73	142A.43
299A.95	142A.76

The revisor of statutes must correct any statutory cross-references consistent with this renumbering.

Sec. 35. Laws 2024, chapter 80, article 2, section 5, subdivision 21, is amended to read:

Subd. 21. **Plan for transfer of clients and records upon closure.** (a) Except for license holders who reside on the premises and child care providers, an applicant for initial or continuing licensure or certification must submit a written plan indicating how the program or private agency will ensure the transfer of clients and records for both

open and closed cases if the program closes. The plan must provide for managing private and confidential information concerning the clients of the program ~~clients~~ or private agency. The plan must also provide for notifying affected clients of the closure at least 25 days prior to closure, including information on how to access their records. A controlling individual of the program or private agency must annually review and sign the plan.

(b) Plans for the transfer of open cases and case records must specify arrangements the program or private agency will make to transfer clients to another provider or county agency for continuation of services and to transfer the case record with the client.

(c) Plans for the transfer of closed case records must be accompanied by a signed agreement or other documentation indicating that a county or a similarly licensed provider has agreed to accept and maintain the program's or private agency's closed case records and to provide follow-up services as necessary to affected clients.

Sec. 36. Laws 2024, chapter 80, article 2, section 7, subdivision 2, is amended to read:

Subd. 2. **County fees for applications and licensing inspections.** (a) A county agency may charge a license fee to an applicant or license holder not to exceed $50 for a one-year license or $100 for a two-year license.

(b) Counties may allow providers to pay the applicant fee in paragraph (a) on an installment basis for up to one year. If the provider is receiving child care assistance payments from the state, the provider may have the fee under paragraph (a) deducted from the child care assistance payments for up to one year and the state shall reimburse the county for the county fees collected in this manner.

~~(c) For purposes of child foster care licensing under this chapter, a county agency may charge a fee to a corporate applicant or corporate license holder to recover the actual cost of licensing inspections, not to exceed $500 annually.~~

~~(d) Counties may elect to reduce or waive the fees in paragraph (c) under the following circumstances:~~

~~(1) in cases of financial hardship;~~

~~(2) if the county has a shortage of providers in the county's area; or~~

~~(3) for new providers.~~

Sec. 37. Laws 2024, chapter 80, article 2, section 10, subdivision 6, is amended to read:

Subd. 6. **Appeal of multiple sanctions.** (a) When the license holder appeals more than one licensing action or sanction that were simultaneously issued by the commissioner, the license holder shall specify the actions or sanctions that are being appealed.

(b) If there are different timelines prescribed in statutes for the licensing actions or sanctions being appealed, the license holder must submit the appeal within the longest of those timelines specified in statutes.

(c) The appeal must be made in writing by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If a request is made by personal service, it must be received by the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If the appeal is made through the provider hub, the appeal must be received by the commissioner within the prescribed timeline with the first day beginning the day after the commissioner issued the order through the hub.

(d) When there are different timelines prescribed in statutes for the appeal of licensing actions or sanctions simultaneously issued by the commissioner, the commissioner shall specify in the notice to the license holder the timeline for appeal as specified under paragraph (b).

Sec. 38. Laws 2024, chapter 80, article 2, section 16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 142B.10 ~~and background studies for family child care~~ ~~under chapter 245C~~; to recommend denial of applicants under section 142B.15; to issue correction orders, to issue variances, and to recommend a conditional license under section 142B.16; or to recommend suspending or revoking a license or issuing a fine under section 142B.18, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and family child foster care~~, dual licensure of family child foster care and family adult foster care, dual licensure of child foster residence setting and community residential setting, and dual licensure of family adult foster care and family child care~~;

(2) child foster care maximum age requirement;

(3) variances regarding disqualified individuals;

(4) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(5) variances to section 142B.74 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

(b) The commissioners of human services and children, youth, and families must both approve a variance for dual licensure of family child foster care and family adult foster care or family adult foster care and family child care. Variances under this paragraph are excluded from the delegation of variance authority and may be issued only by both commissioners.

(c) Except as provided in section 142B.41, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

~~(b)~~ (d) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

~~(c)~~ (e) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

~~(d)~~ (f) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

~~(e)~~ (g) A license issued under this section may be issued for up to two years.

~~(f)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

Sec. 39. Laws 2024, chapter 80, article 2, section 30, subdivision 2, is amended to read:

Subd. 2. **Maltreatment of minors ongoing training requirement.** (a) In addition to the orientation training required by the applicable licensing rules and statutes, private child-placing agency license holders must provide a training annually on the maltreatment of minors reporting requirements and definitions in chapter 260E to each mandatory reporter, as described in section 260E.06, subdivision 1.

(b) In addition to the orientation training required by the applicable licensing rules and statutes, all family child foster care license holders and caregivers ~~and foster residence setting staff and volunteers~~ who are mandatory reporters as described in section 260E.06, subdivision 1, must complete training each year on the maltreatment of minors reporting requirements and definitions in chapter 260E.

Sec. 40. Laws 2024, chapter 80, article 2, section 31, is amended to read:

Sec. 31. **142B.80 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.** Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and caregivers in foster family and treatment foster care settings~~, and all staff providing care in foster residence settings~~ must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one hour of the annual training requirement for the foster family license holder and caregivers~~, and foster residence staff~~ must be on children's mental health issues and treatment. Except for providers and services under chapter 245D, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. Short-term substitute caregivers are exempt from these requirements. Training curriculum shall be approved by the commissioner of children, youth, and families.

Sec. 41. Laws 2024, chapter 80, article 2, section 74, is amended to read:

Sec. 74. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber sections or subdivisions in column A as column B.

Column A	Column B
245A.02, subdivision 2c	142B.01, subdivision 3
245A.02, subdivision 6a	142B.01, subdivision 11
245A.02, subdivision 6b	142B.01, subdivision 12

245A.02, subdivision 10a
245A.02, subdivision 12
245A.02, subdivision 16
245A.02, subdivision 17
245A.02, subdivision 18
245A.02, subdivision 19
245A.03, subdivision 2a
245A.03, subdivision 2b
245A.03, subdivision 4
245A.03, subdivision 4a
245A.03, subdivision 8
245A.035
245A.04, subdivision 9a
245A.04, subdivision 10
245A.06, subdivision 8
245A.06, subdivision 9
245A.065
245A.07, subdivision 4
245A.07, subdivision 5
245A.14, subdivision 3
245A.14, subdivision 4
245A.14, subdivision 4a
245A.14, subdivision 6
245A.14, subdivision 8
245A.14, subdivision 10
245A.14, subdivision 11
245A.14, subdivision 15
245A.14, subdivision 16
245A.14, subdivision 17
245A.1434
~~245A.144~~
245A.1445
245A.145
245A.146, subdivision 2
245A.146, subdivision 3
245A.146, subdivision 4
245A.146, subdivision 5
245A.146, subdivision 6
245A.147
245A.148
245A.149
245A.15
245A.1511
245A.152
245A.16, subdivision 7
245A.16, subdivision 9
245A.16, subdivision 11
245A.23
245A.40
245A.41
245A.42

142B.01, subdivision 22
142B.01, subdivision 23
142B.01, subdivision 26
142B.01, subdivision 27
142B.01, subdivision 28
142B.01, subdivision 13
142B.05, subdivision 3
142B.05, subdivision 4
142B.05, subdivision 6
142B.05, subdivision 7
142B.05, subdivision 10
142B.06
142B.10, subdivision 17
142B.10, subdivision 18
142B.16, subdivision 5
142B.16, subdivision 6
142B.17
142B.18, subdivision 6
142B.18, subdivision 7
142B.41, subdivision 3
142B.41, subdivision 4
142B.41, subdivision 5
142B.41, subdivision 6
142B.41, subdivision 7
142B.41, subdivision 8
142B.41, subdivision 9
142B.41, subdivision 11
142B.41, subdivision 12
142B.41, subdivision 13
142B.60
~~142B.47~~
142B.48
142B.61
142B.45, subdivision 2
142B.45, subdivision 3
142B.45, subdivision 4
142B.45, subdivision 5
142B.45, subdivision 6
142B.75
142B.76
142B.77
142B.78
142B.79
142B.62
142B.30, subdivision 7
142B.30, subdivision 9
142B.30, subdivision 11
142B.63
142B.65
142B.66
142B.67

245A.50	142B.70
245A.51	142B.71
245A.52	142B.72
245A.53	142B.74
245A.66, subdivision 2	142B.54, subdivision 2
245A.66, subdivision 3	142B.54, subdivision 3

The revisor of statutes must correct any statutory cross-references consistent with this renumbering.

Sec. 42. Laws 2024, chapter 80, article 4, section 26, is amended to read:

Sec. 26. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering. The revisor shall also make any technical, language, and other changes necessitated by the renumbering and cross-reference changes in this act.

Column A	Column B
119A.50	142D.12
119A.52	142D.121
119A.53	142D.122
119A.535	142D.123
119A.5411	142D.124
119A.545	142D.125
119B.195	142D.30
119B.196	142D.24
119B.25	142D.20
119B.251	142D.31
119B.252	142D.32
119B.27	142D.21
119B.28	142D.22
119B.29	142D.23
119B.99	142A.44
121A.16	142D.09
121A.17	142D.091
121A.18	142D.092
121A.19	142D.093
122A.731	142D.33
124D.13	142D.10
124D.135	142D.11
124D.141	142D.16
124D.142	142D.13
124D.15	142D.05
124D.151	142D.08
124D.16	142D.06
124D.165	142D.25
124D.2211	142D.14
124D.23	142D.15

(b) The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article 8, section 9, as amended by article 4, section 25, as Minnesota Statutes, section 142D.07.

(c) The revisor of statutes shall change "commissioner of education" to "commissioner of children, youth, and families" and change "Department of Education" to "Department of Children, Youth, and Families" as necessary in Minnesota Statutes, chapters 119A and 120 to 129C, to reflect the changes in this act and Laws 2023, chapter 70, article 12. The revisor shall also make any technical, language, and other changes resulting from the change of term to the statutory language, sentence structure, or both, if necessary to preserve the meaning of the text.

Sec. 43. Laws 2024, chapter 80, article 6, section 4, is amended to read:

Sec. 4. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber each section of Minnesota Statutes in Column A with the number in Column B.

Column A	Column B
245.771	142F.05
256D.60	142F.10
256D.61	142F.11
256D.62	142F.101
256D.63	142F.102
256D.64	142F.13
256D.65	142F.12
256E.30	142F.30
256E.31	142F.301
256E.32	142F.302
256E.34	142F.14
256E.342	142F.15
256E.35	142F.20

(b) The revisor of statutes must correct any statutory cross-references consistent with this renumbering.

Sec. 44. Laws 2024, chapter 80, article 7, section 4, is amended to read:

Sec. 4. Minnesota Statutes 2022, section 256J.09, is amended by adding a subdivision to read:

Subd. 11. **Domestic violence informational brochure.** (a) The commissioner shall provide a domestic violence informational brochure that provides information about the existence of domestic violence waivers to all MFIP applicants. The brochure must explain that eligible applicants may be temporarily waived from certain program requirements due to domestic violence. The brochure must provide information about services and other programs to help victims of domestic violence.

(b) The brochure must be funded with TANF funds.

(c) The commissioner must work with the commissioner of human services to create a brochure that meets the requirements of this section and section 256.029.

Sec. 45. **CHILD FOSTER RESIDENCE SETTINGS TO STAY AT THE DEPARTMENT OF HUMAN SERVICES.**

The responsibility to license child foster residence settings as defined in Minnesota Statutes, section 245A.02, subdivision 6e, does not transfer to the Department of Children, Youth, and Families under Laws 2023, chapter 70, article 12, section 30, and remains with the Department of Human Services.

Sec. 46. **DIRECTION TO THE COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; COORDINATION OF SERVICES FOR CHILDREN WITH DISABILITIES AND MENTAL HEALTH.**

The commissioner shall designate a department leader to be responsible for coordination of services and outcomes around children's mental health and for children with or at risk for disabilities within and between the Department of Children, Youth, and Families; the Department of Human Services; and related agencies.

Sec. 47. **REPEALER.**

(a) Minnesota Statutes 2022, section 245.975, subdivision 8, is repealed.

(b) Laws 2024, chapter 80, article 1, sections 38, subdivisions 3, 4, and 11; 39; and 43, subdivision 2; Laws 2024, chapter 80, article 2, sections 1, subdivision 11; 3, subdivision 3; 4, subdivision 4; 10, subdivision 4; 33; and 69; and Laws 2024, chapter 80, article 7, sections 3; and 9, are repealed.

(c) Minnesota Rules, part 9545.0845, is repealed.

Sec. 48. **EFFECTIVE DATE; TRANSFER OF RESPONSIBILITIES.**

(a) This article is effective July 1, 2024.

(b) Notwithstanding paragraph (a), the powers and responsibilities transferred under this article are effective upon notice of the commissioner of children, youth, and families to the commissioners of administration, management and budget, and other relevant departments along with the secretary of the senate, the chief clerk of the house of representatives, and the chairs and ranking minority members of relevant legislative committees and divisions, pursuant to Laws 2023, chapter 70, article 12, section 30, subdivision 1.

(c) By August 1, 2025, the commissioners of human services and children, youth, and families shall notify the chairs and ranking minority members of relevant legislative committees and divisions and the revisor of statutes of any sections of this article or programs to be transferred that are waiting for federal approval to become effective pursuant to Laws 2023, chapter 70, article 12, section 30, subdivision 1, paragraph (b).

ARTICLE 17
MINNESOTA INDIAN FAMILY PRESERVATION ACT

Section 1. Minnesota Statutes 2022, section 259.20, subdivision 2, is amended to read:

Subd. 2. **Other applicable law.** (a) Portions of chapters 245A, 245C, 257, 260, and 317A may also affect the adoption of a particular child.

(b) Provisions of the Indian Child Welfare Act, United States Code, title 25, chapter 21, sections 1901-1923, ~~may also~~ and the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835 apply in the adoption of an Indian child~~, and may preempt specific provisions of this chapter~~ as described in section 259.201.

(c) Consistent with section 245C.33 and Public Law 109-248, a completed background study is required before the approval of any foster or adoptive placement in a related or an unrelated home.

Sec. 2. **[259.201] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.**

Adoption proceedings under this chapter that involve an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; by section 259.20, subdivision 2, paragraph (b); and by this chapter when not inconsistent with the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act.

Sec. 3. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 1a, is amended to read:

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

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

Sec. 4. Minnesota Statutes 2022, section 260.755, subdivision 2a, is amended to read:

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 3, is amended to read:

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 3a, is amended to read:

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

Sec. 7. Minnesota Statutes 2022, section 260.755, subdivision 5, is amended to read:

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 5b, is amended to read:

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

Sec. 9. Minnesota Statutes 2022, section 260.755, subdivision 14, is amended to read:

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

Sec. 10. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

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

Sec. 11. Minnesota Statutes 2022, section 260.755, subdivision 17a, is amended to read:

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

Sec. 12. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 20, is amended to read:

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

Sec. 13. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 22, is amended to read:

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

Sec. 15. Minnesota Statutes 2023 Supplement, section 260.758, subdivision 2, is amended to read:

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

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

Sec. 16. Minnesota Statutes 2023 Supplement, section 260.758, subdivision 4, is amended to read:

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

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

Sec. 17. Minnesota Statutes 2023 Supplement, section 260.758, subdivision 5, is amended to read:

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

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

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

Sec. 18. Minnesota Statutes 2023 Supplement, section 260.761, is amended to read:

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

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

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

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

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

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

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

agency or petitioner shall request that the Tribe or a designated Tribal representative participate in evaluating the family circumstances, identifying family and Tribal community resources, and developing case plans. The child-placing agency or petitioner shall continue to include the Tribe in service planning and updates as to the progress of the case.

(b) When a child-placing agency or petitioner has information that a child receiving services may be an Indian child, the child-placing agency or petitioner shall notify the Tribe by telephone and by email or facsimile of the child's full name and date of birth, the full names and dates of birth of the child's biological parents, and, if known, the full names and dates of birth of the child's grandparents and of the child's Indian custodian. This notification must be provided for the Tribe to determine if the child is a member or eligible for Tribal membership, and the child-placing agency or petitioner must provide this notification to the Tribe within seven days of receiving information that the child may be an Indian child. If information regarding the child's grandparents or Indian custodian is not available within the seven-day period, the child-placing agency or petitioner shall continue to request this information and shall notify the Tribe when it is received. Notice shall be provided to all Tribes to which the child may have any Tribal lineage.

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

(d) In all child placement proceedings, except for adoptive or preadoptive placement proceedings, when a court has reason to believe the child is an Indian child, the child-placing agency or ~~individual~~ petitioner shall ~~effect service of any petition governed by sections 260.751 to 260.835~~ provide notice of the proceedings and a copy of any petition to the Indian child's parents, Indian custodian, and the Indian child's Tribe and shall effect service of any notice and petition governed by sections 260.751 to 260.835 upon the parent, Indian custodian, and the Indian child's Tribe by certified mail or registered mail, return receipt requested ~~upon the Indian child's parents, Indian custodian, and Indian child's Tribe at least 10 days before the admit-deny hearing is held~~. If the identity or location of the Indian child's parents or Indian custodian ~~and~~ or Tribe cannot be determined, the child-placing agency or petitioner shall provide the notice required in this paragraph to the United States Secretary of the Interior, Bureau of Indian Affairs by certified or registered mail, return receipt requested. Where service is only accomplished through the United States Secretary of the Interior, Bureau of Indian Affairs, the initial hearing shall not be held until 20 days after notice upon the Tribe or the Secretary of the Interior.

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

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

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

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

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

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

(6) statements setting out:

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

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

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

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

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

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

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

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

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

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

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

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

parents and Indian child absent written objection by the birth parents. The child-placing agency or petitioner shall inform the birth parents of the Indian child of any services available to the Indian child through the child's Tribal social services agency, including child placement services, and shall additionally provide the birth parents of the Indian child with all information sent from the Tribal social services agency in response to the notice.

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

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

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

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

Sec. 19. Minnesota Statutes 2023 Supplement, section 260.762, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 2b. **Adoptions.** For adoptions under chapter 259, the court may find that active efforts were made to prevent placement of an Indian child or to reunify the Indian child with the Indian child's parents upon a finding that: (1) subdivision 2a, paragraph (b), clauses (1) to (4), were met; (2) the Indian child's parent knowingly and voluntarily consented to placement of the Indian child for adoption on the record as described in section 260.765, subdivision 3a; (3) fraud was not present, and the Indian child's parent was not under duress; (4) the Indian child's parent was offered and declined services that would enable the Indian child's parent to maintain custody of the Indian child; and (5) the Indian child's parent was counseled on alternatives to adoption, and adoption contact agreements.

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

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

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

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

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

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

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

~~(5) whether the child-placing agency notified and consulted with the Indian child's extended family members, as identified by the child, the child's parents, or the Tribe; whether extended family members were consulted to provide support to the child and parents, to inform the child-placing agency and court as to cultural connections and family structure, to assist in identifying appropriate cultural services and supports for the child and parents, and to identify and serve as a placement and permanency resource for the child; and if there was difficulty contacting or engaging with extended family members, whether assistance was sought from the Tribe, the Department of Human Services, or other agencies with expertise in working with Indian families;~~

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

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

Sec. 20. Minnesota Statutes 2023 Supplement, section 260.763, subdivision 1, is amended to read:

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

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

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

Sec. 21. Minnesota Statutes 2023 Supplement, section 260.763, subdivision 4, is amended to read:

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 260.763, subdivision 5, is amended to read:

Subd. 5. **Good cause to deny transfer.** (a) Establishing good cause to deny transfer of jurisdiction to a Tribal court is a fact-specific inquiry to be determined on a case-by-case basis. Socioeconomic conditions and the perceived adequacy of Tribal or Bureau of Indian Affairs social services or judicial systems must not be considered in a determination that good cause exists. The party opposed to transfer of jurisdiction to a Tribal court has the burden to prove by clear and convincing evidence that good cause to deny transfer exists. Opposition to a motion to transfer jurisdiction to Tribal court must be in writing and must be served upon all parties.

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

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

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

Sec. 23. Minnesota Statutes 2023 Supplement, section 260.765, subdivision 2, is amended to read:

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

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

Sec. 24. Minnesota Statutes 2023 Supplement, section 260.765, subdivision 3a, is amended to read:

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

Sec. 25. Minnesota Statutes 2023 Supplement, section 260.765, subdivision 4b, is amended to read:

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

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

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

Sec. 27. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 1b, is amended to read:

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

Sec. 28. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 1c, is amended to read:

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

Sec. 29. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 2b, is amended to read:

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

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

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

Sec. 30. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 2d, is amended to read:

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

Sec. 31. Minnesota Statutes 2023 Supplement, section 260.771, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

Sec. 32. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

Sec. 33. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 1, is amended to read:

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

Sec. 34. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 2, is amended to read:

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

Sec. 35. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 3, is amended to read:

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

(1) a noncustodial parent or Indian custodian;

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

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

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

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

Sec. 36. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 4, is amended to read:

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

(1) the Indian child's noncustodial parent or Indian custodian;

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

(3) other members of the Indian child's Tribe; or

(4) other persons or entities recognized as appropriate to be a permanency resource for the Indian child, by the Indian child's parent or parents, Indian custodian, or Indian Tribe.

Sec. 37. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 5, is amended to read:

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

Sec. 38. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 10, is amended to read:

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

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

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

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

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

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

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

Sec. 39. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 11, is amended to read:

Subd. 11. **Factors considered in determining placement.** Testimony of the Indian child's bonding or attachment to a foster family alone, without the existence of at least one of the factors in subdivision 10, clause (2), shall not be considered good cause to keep an Indian child in a lower preference or nonpreference placement. Ease of visitation and facilitation of relationship with the Indian child's parents, Indian custodian, extended family, or Tribe may be considered when determining placement.

Sec. 40. Minnesota Statutes 2023 Supplement, section 260.774, subdivision 1, is amended to read:

Subdivision 1. **Improper removal.** In any proceeding where custody of the Indian child was improperly removed from the parent or ~~parents~~ Indian custodian or where the petitioner has improperly retained custody after a visit or other temporary relinquishment of custody, the court shall decline jurisdiction over the petition and shall immediately return the Indian child to the Indian child's parent ~~or parents~~ or Indian custodian unless returning the Indian child to the Indian child's parent ~~or parents~~ or Indian custodian would subject the Indian child to a substantial and immediate danger or threat of such danger.

Sec. 41. Minnesota Statutes 2023 Supplement, section 260.774, subdivision 2, is amended to read:

Subd. 2. **Invalidation.** (a) Any order for ~~out-of-home~~ child placement, transfer of custody, termination of parental rights, or other permanent change in custody of an Indian child shall be invalidated upon a showing, by a preponderance of the evidence, that a violation of any one of the provisions in section 260.761, 260.762, 260.763, 260.765, 260.771, 260.773, or 260.7745 has occurred.

(b) The Indian child, the Indian child's parent or parents, guardian, Indian custodian, or Indian Tribe may file a petition or motion to invalidate under this subdivision.

(c) Upon a finding that a violation of one of the provisions in section 260.761, 260.762, 260.763, 260.765, 260.771, 260.773, or 260.7745 has occurred, the court shall:

(1) dismiss the petition without prejudice; ~~and~~

(2) return the Indian child to the care, custody, and control of the parent or parents or Indian custodian, unless the Indian child would be subjected to imminent physical damage or harm~~.~~; and

(3) determine whether the Indian child's parent or Indian custodian has been assessed placement costs and order reimbursement of those costs.

(d) Upon a finding that a willful, intentional, knowing, or reckless violation of one of the provisions in section 260.761, 260.762, 260.763, 260.765, 260.771, 260.773, or 260.7745 has occurred, the court may consider whether sanctions, reasonable costs, and attorney fees should be imposed against the offending party.

Sec. 42. Minnesota Statutes 2023 Supplement, section 260.774, subdivision 3, is amended to read:

Subd. 3. **Return of custody following adoption.** (a) Whenever a final decree of adoption of an Indian child has been vacated, set aside, or there is a termination of the parental rights of the adoptive parents to the Indian child, a biological parent or prior Indian custodian may petition for return of custody and the court shall grant the petition unless there is a showing, in proceedings subject to the provision of sections 260.751 to 260.835, that the return of custody is not in the best interests of the Indian child.

(b) The county attorney, Indian child, Indian child's Tribe, Indian custodian, or ~~a~~ an Indian child's parent whose parental rights were terminated under a previous order of the court may file a petition for the return of custody.

(c) A petition for return of custody may be filed in court when:

(1) the parent or Indian custodian has corrected the conditions that led to an order terminating parental rights;

(2) the parent or Indian custodian is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the Indian child; and

(3) the adoption has been vacated, set aside, or termination of the parental rights of the adoptive parents to the Indian child has occurred.

(d) A petition for reestablishment of the legal parent and child relationship for ~~a~~ an Indian child who has not been adopted must meet the requirements in section 260C.329.

Sec. 43. Minnesota Statutes 2022, section 260.775, is amended to read:

260.775 PLACEMENT RECORDS.

(a) The commissioner of human services shall publish annually an inventory of all Indian children in residential facilities. The inventory shall include, by county and statewide, information on legal status, living arrangement, age, sex, Tribe in which the Indian child is a member or eligible for membership, accumulated length of time in foster care, and other demographic information deemed appropriate concerning all Indian children in residential facilities. The report must also state the extent to which authorized child-placing agencies comply with the order of preference described in United States Code, title 25, section 1901, et seq. The commissioner shall include the information required under this paragraph in the annual report on child maltreatment and on children in ~~out-of-home~~ placement under section 257.0725.

(b) This section expires January 1, 2032.

Sec. 44. Minnesota Statutes 2023 Supplement, section 260.781, subdivision 1, is amended to read:

Subdivision 1. **Court decree information.** (a) A state court entering a final decree or order in an Indian child adoptive placement shall provide the Department of Human Services and the child's Tribal social services agency with a copy of the decree or order together with such other information to show:

(1) the name and Tribal affiliation of the Indian child;

(2) the names and addresses of the biological parents and Indian custodian, if any;

(3) the names and addresses of the adoptive parents; and

(4) the identity of any agency having files or information relating to the adoptive placement.

If the court records contain an affidavit of the biological or adoptive ~~parent or~~ parents or Indian custodian requesting anonymity, the court shall delete the name and address of the biological or adoptive parents or Indian custodian from the information sent to the Indian child's Tribal social services agency. The court shall include the affidavit with the other information provided to the Minnesota Department of Human Services and the Secretary of the Interior. The Minnesota Department of Human Services shall and the Secretary of the Interior is requested to ensure that the confidentiality of the information is maintained and the information shall not be subject to the Freedom of Information Act, United States Code, title 5, section 552, as amended.

(b) For:

(1) disclosure of information for ~~enrollment~~ membership of an Indian child in the Tribe;

(2) determination of member rights or benefits; or

(3) certification of entitlement to membership upon the request of the adopted Indian child over the age of eighteen, the adoptive or foster parents of an Indian child, or an Indian Tribe,

the Secretary of the Interior is requested to disclose any other necessary information for the membership of an Indian child in the Tribe in which the Indian child may be eligible for membership or for determining any rights or benefits associated with that membership. Where the documents relating to the Indian child contain an affidavit from the biological parent or ~~parents~~ Indian custodian requesting anonymity, the Secretary of the Interior is requested to certify to the Indian child's Tribe, where the information warrants, that the Indian child's parentage and other circumstances of birth entitle the Indian child to membership under the criteria established by the Tribe.

Sec. 45. Minnesota Statutes 2022, section 260.785, subdivision 1, is amended to read:

Subdivision 1. **Primary support grants.** The commissioner shall establish direct grants to Indian Tribes, Indian organizations, and Tribal social services agency programs located off-reservation that serve Indian children and their families to provide primary support for Indian child welfare programs to implement the Minnesota Indian Family Preservation Act.

Sec. 46. Minnesota Statutes 2022, section 260.785, subdivision 3, is amended to read:

Subd. 3. **Compliance grants.** The commissioner shall establish direct grants to an Indian child welfare defense corporation, as defined in Minnesota Statutes 1996, section 611.216, subdivision 1a, to promote statewide compliance with the Minnesota Indian Family Preservation Act and the Indian Child Welfare Act, United States Code, title 25, section 1901, et seq. The commissioner shall give priority consideration to applicants with demonstrated capability of providing legal advocacy services statewide.

Sec. 47. Minnesota Statutes 2023 Supplement, section 260.786, subdivision 2, is amended to read:

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

Sec. 48. Minnesota Statutes 2023 Supplement, section 260.795, subdivision 1, is amended to read:

Subdivision 1. **Types of services.** (a) Eligible Indian child welfare services provided under primary support grants include:

(1) placement prevention and reunification services;

(2) family-based services;

(3) individual and family counseling;

(4) access to professional individual, group, and family counseling;

(5) crisis intervention and crisis counseling;

(6) development of foster and adoptive placement resources, including recruitment, licensing, and support;

(7) court advocacy;

(8) training and consultation to county and private social services agencies regarding the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act;

(9) advocacy in working with the county and private social services agencies, and activities to help provide access to agency services, including but not limited to 24-hour caretaker and homemaker services, day care, emergency shelter care up to 30 days in 12 months, access to emergency financial assistance, and arrangements to provide temporary respite care to a family for up to 72 hours consecutively or 30 days in 12 months;

(10) transportation services to the child and parents to prevent placement or reunite the family; and

(11) other activities and services approved by the commissioner that further the goals of the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, including but not limited to recruitment of Indian staff for child-placing agencies and licensed child-placing agencies. The commissioner may specify the priority of an activity and service based on its success in furthering these goals.

(b) Eligible services provided under special focus grants include:

(1) permanency planning activities that meet the special needs of Indian families;

(2) teenage pregnancy;

(3) independent living skills;

(4) family and community involvement strategies to combat child abuse and chronic neglect of children;

(5) coordinated child welfare and mental health services to Indian families;

(6) innovative approaches to assist Indian youth to establish better self-image, decrease isolation, and decrease the suicide rate;

(7) expanding or improving services by packaging and disseminating information on successful approaches or by implementing models in Indian communities relating to the development or enhancement of social structures that increase family self-reliance and links with existing community resources;

(8) family retrieval services to help adopted individuals reestablish legal affiliation with the Indian Tribe; and

(9) other activities and services approved by the commissioner that further the goals of the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act. The commissioner may specify the priority of an activity and service based on its success in furthering these goals.

(c) The commissioner shall give preference to programs that use Indian staff, contract with Indian organizations or Tribes, or whose application is a joint effort between the Indian and non-Indian community to achieve the goals of the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act. Programs must have input and support from the Indian community.

Sec. 49. Minnesota Statutes 2022, section 260.810, subdivision 3, is amended to read:

Subd. 3. **Final report.** A final evaluation report must be submitted by each approved program to the commissioner. It must include client outcomes, cost and effectiveness in meeting the goals of the Minnesota Indian Family Preservation Act and permanency planning goals. The commissioner must compile the final reports into one document and provide a copy to each Tribe.

Sec. 50. Minnesota Statutes 2022, section 260C.007, subdivision 26b, is amended to read:

Subd. 26b. **Relative of an Indian child.** "Relative of an Indian child" means a person who is a member of the Indian child's family as defined in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1903, paragraphs (2), (6), and (9), and who is an extended family member as defined in section 260.755, subdivision 5b, of the Minnesota Indian Family Preservation Act.

Sec. 51. Minnesota Statutes 2022, section 260C.178, subdivision 1, as amended by Laws 2024, chapter 80, article 8, section 24, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time that the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue to be in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines that there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child:

(1) into the care of the child's noncustodial parent and order the noncustodial parent to comply with any conditions that the court determines appropriate to ensure the safety and care of the child, including requiring the noncustodial parent to cooperate with paternity establishment proceedings if the noncustodial parent has not been adjudicated the child's father; or

(2) into foster care as defined in section 260C.007, subdivision 18, under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that the agency has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. The court shall not make a reasonable efforts determination under this clause unless the court is satisfied that the agency has sufficiently demonstrated to the court that there were no services or other efforts that the agency was able to provide at the time of the hearing enabling the child to safely remain home or to safely return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered that would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph (g) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

(f) If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(g) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

(h) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under a juvenile protection proceeding or a similar process of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

(k) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.

(l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(m) When the court has ordered the child into the care of a noncustodial parent or in foster care, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212, subdivision 1, or the child protective services plan under section 260E.26, and Minnesota Rules, part 9560.0228.

(n) When the court has ordered an Indian child into an emergency child placement, the Indian child shall be placed according to the placement preferences in the Minnesota Indian Family Preservation Act, section 260.773.

Sec. 52. Minnesota Statutes 2022, section 260D.01, is amended to read:

260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

(a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the responsible social services agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under sections 256B.092 and 260C.157 and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for an emotional disturbance or developmental disability or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or a related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child;

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the child's diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the child by the responsible social services agency's screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016; and

(5) includes the requirements for a child's placement in sections 260C.70 to 260C.714, when the juvenile treatment screening team recommends placing a child in a qualified residential treatment program, except as modified by this chapter.

(d) This chapter does not apply when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's emotional disturbance or developmental disability or related condition. When there is a determination under chapter 260E that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's emotional disturbance or developmental disability or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure that a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires out-of-home placement and the child cannot be maintained in the home of the parent; and

(3) to ensure that the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, when necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs;

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community;

(4) engaging with the responsible social services agency to ensure that the family and permanency team under section 260C.706 consists of appropriate family members. For purposes of voluntary placement of a child in foster care for treatment under chapter 260D, prior to forming the child's family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals unless the individual is a treating professional or an important connection to the youth as outlined in the case or crisis plan; and

(5) for a voluntary placement under this chapter in a qualified residential treatment program, as defined in section 260C.007, subdivision 26d, for purposes of engaging in a relative search as provided in section 260C.221, the county agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which adult relatives the county agency should notify. If the child, child's parents, or legal guardians raise concerns about specific relatives, the county agency should not notify those relatives.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply. ~~This chapter shall be construed consistently with the requirements of the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et al., and the provisions of the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.~~

Sec. 53. **[260D.011] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.**

Proceedings under this chapter concerning an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; and by this chapter when not inconsistent with the federal Indian Child Welfare Act or the Minnesota Indian Family Preservation Act.

Sec. 54. **[260E.015] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.**

Proceedings under this chapter concerning an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; and by this chapter when not inconsistent with the federal Indian Child Welfare Act or the Minnesota Indian Family Preservation Act.

Sec. 55. **[524.5-2011] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.**

Proceedings under this chapter concerning an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; and by this chapter when not inconsistent with the federal Indian Child Welfare Act or the Minnesota Indian Family Preservation Act.

Sec. 56. **REPEALER.**

Minnesota Statutes 2022, section 260.755, subdivision 13, is repealed.

ARTICLE 18
CHILDREN AND FAMILIES POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 119B.011, subdivision 15, is amended to read:

Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01, subdivision 3~~,~~; unearned income as defined under section 256P.01, subdivision 8~~,~~; income under Minnesota Rules, part 3400.0170; and public assistance cash benefits, including the Minnesota family investment program, work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance, at-home infant child care subsidy payments, and child support and maintenance distributed to the family under section 256.741, subdivision 2a.

The following are deducted from income: funds used to pay for health insurance premiums for family members, and child or spousal support paid to or on behalf of a person or persons who live outside of the household. Income sources not included in this subdivision ~~and~~; section 256P.06, subdivision 3~~,~~; and Minnesota Rules, part 3400.0170, are not counted as income.

Sec. 2. Minnesota Statutes 2023 Supplement, section 119B.16, subdivision 1a, is amended to read:

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

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

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

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

(ii) a contested case hearing or an administrative reconsideration under section 245.095;

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

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

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

(5) ends a provider's rate differential under section 119B.13, subdivision 3a or 3b;

~~(5)~~ (6) initiates an administrative fraud disqualification ~~hearing~~; or

~~(6)~~ (7) issues a payment and the provider disagrees with the amount of the payment.

(c) A provider may request a fair hearing by submitting a written request to the ~~Department of Human Services, Appeals Division~~ state agency. A provider's request must be received by the ~~Appeals Division~~ state agency no later than 30 days after the date a county or the commissioner ~~mails~~ sends the notice under subdivision 1c.

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 119B.16, subdivision 1c, is amended to read:

Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision 1a, paragraph (b), clauses (1) to (5), a county agency or the commissioner must ~~mail~~ send written notice to the provider against whom the action is being taken. Unless otherwise specified under this chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the commissioner must ~~mail~~ send the written notice at least 15 calendar days before the adverse action's effective date. If the appealable action is a denial of an authorization under subdivision 1a, paragraph (b), clause (1), the provider's notice is effective on the date the notice is sent.

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

(c) Notice requirements for administrative fraud disqualifications under subdivision 1a, paragraph (b), clause (6), are set forth in section 256.046, subdivision 3.

(d) A provider must receive notices that include:

(1) the right to appeal if a county issues a payment and the provider disagrees with the amount of the payment under subdivision 1a, paragraph (b), clause (7), at the time of authorization and reauthorization under section 119B.125, subdivision 1; and

(2) the amount of each payment when a payment is issued.

(e) A provider's request to appeal a payment amount must be received by the state agency no later than 30 days after the date a county sends the notice informing the provider of its payment amount.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 119B.161, subdivision 2, is amended to read:

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

(b) The notice must:

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2022, section 121A.15, subdivision 3, is amended to read:

Subd. 3. **Exemptions from immunizations.** (a) If a person is at least seven years old and has not been immunized against pertussis, the person must not be required to be immunized against pertussis.

(b) If a person is at least 18 years old and has not completed a series of immunizations against poliomyelitis, the person must not be required to be immunized against poliomyelitis.

(c) If a statement, signed by a physician, is submitted to the administrator or other person having general control and supervision of the school or child care facility stating that an immunization is contraindicated for medical reasons or that laboratory confirmation of the presence of adequate immunity exists, the immunization specified in the statement need not be required.

(d) If a notarized statement signed by the minor child's parent or guardian or by the emancipated person is submitted to the administrator or other person having general control and supervision of the school or child care facility stating that the person has not been immunized as prescribed in subdivision 1 because of the conscientiously held beliefs of the parent or guardian of the minor child or of the emancipated person, the immunizations specified in the statement shall not be required. This statement must also be forwarded to the commissioner of the Department of Health. This paragraph does not apply to a child enrolling or enrolled in a child care center or family child care program that adopts a policy under subdivision 3b.

(e) If the person is under 15 months, the person is not required to be immunized against measles, rubella, or mumps.

(f) If a person is at least five years old and has not been immunized against haemophilus influenzae type b, the person is not required to be immunized against haemophilus influenzae type b.

(g) If a person who is not a Minnesota resident enrolls in a Minnesota school online learning course or program that delivers instruction to the person only by computer and does not provide any teacher or instructor contact time or require classroom attendance, the person is not subject to the immunization, statement, and other requirements of this section.

Sec. 6. Minnesota Statutes 2022, section 121A.15, is amended by adding a subdivision to read:

Subd. 3b. **Child care programs.** A child care center licensed under chapter 245A and Minnesota Rules, chapter 9503, and a family child care provider licensed under chapter 245A and Minnesota Rules, chapter 9502, may adopt a policy prohibiting a child over two months of age from enrolling or remaining enrolled in the child care center or family child care program if the child:

(1) has not been immunized in accordance with subdivision 1 or 2 and in accordance with Minnesota Rules, chapter 4604; and

(2) is not exempt from immunizations under subdivision 3, paragraph (a), (c), (e), or (f).

Sec. 7. Minnesota Statutes 2023 Supplement, section 124D.142, subdivision 2, as amended by Laws 2024, chapter 80, article 4, section 10, is amended to read:

Subd. 2. **System components.** (a) The standards-based voluntary quality rating and improvement system includes:

(1) effective July 1, 2026, at least a one-star rating for all programs licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed that do not opt out of the system under paragraph (b) and that are not:

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

(ii) prohibited from receiving public funds under section 245.095, regardless of whether the action is under appeal;

(iii) under revocation, suspension, temporary immediate suspension, or decertification, or is operating under a conditional license, regardless of whether the action is under appeal; or

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

(2) quality opportunities in order to improve the educational outcomes of children so that they are ready for school;

(3) a framework based on the Minnesota quality rating system rating tool and a common set of child outcome and program standards informed by evaluation results;

(4) a tool to increase the number of publicly funded and regulated early learning and care services in both public and private market programs that are high quality;

(5) voluntary participation ensuring that if a program or provider chooses to participate, the program or provider will be rated and may receive public funding associated with the rating; and

(6) tracking progress toward statewide access to high-quality early learning and care programs, progress toward the number of low-income children whose parents can access quality programs, and progress toward increasing the number of children who are fully prepared to enter kindergarten.

(b) By July 1, 2026, the commissioner of children, youth, and families shall establish a process by which a program may opt out of the rating under paragraph (a), clause (1). The commissioner shall consult with Tribes to develop a process for rating Tribally licensed programs that is consistent with the goal outlined in paragraph (a), clause (1).

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 144.2252, subdivision 2, is amended to read:

Subd. 2. **Release of original birth record.** (a) The state registrar must provide to an adopted person who is 18 years of age or older or a person related to the adopted person a copy of the adopted person's original birth record and any evidence of the adoption previously filed with the state registrar. To receive a copy of an original birth record under this subdivision, the adopted person or person related to the adopted person must make the request to the state registrar in writing. The copy of the original birth record must clearly indicate that it may not be used for identification purposes. All procedures, fees, and waiting periods applicable to a nonadopted person's request for a copy of a birth record apply in the same manner as requests made under this section.

(b) If a contact preference form is attached to the original birth record as authorized under section 144.2253, the state registrar must provide a copy of the contact preference form along with the copy of the adopted person's original birth record.

(c) The state registrar shall provide a transcript of an adopted person's original birth record to an authorized representative of a federally recognized American Indian Tribe for the sole purpose of determining the adopted person's eligibility for enrollment or membership. Information contained in the birth record may not be used to provide the adopted person information about the person's birth parents, except as provided in this section or section 259.83.

(d) For a replacement birth record issued under section 144.218, the adopted person or a person related to the adopted person may obtain from the state registrar copies of the order or decree of adoption, certificate of adoption, or decree issued under section 259.60, as filed with the state registrar.

(e) The state registrar may request assistance from the commissioner of children, youth, and families if needed to discharge duties under this section, as authorized under section 259.79.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 144.2253, is amended to read:

144.2253 BIRTH PARENT CONTACT PREFERENCE FORM.

(a) The commissioner must make available to the public a contact preference form as described in paragraph (b).

(b) The contact preference form must provide the following information to be completed at the option of a birth parent:

(1) "I would like to be contacted."

(2) "I would prefer to be contacted only through an intermediary."

(3) "I prefer not to be contacted at this time. If I decide later that I would like to be contacted, I will submit an updated contact preference form to the Minnesota Department of Health."

(c) A contact preference form must include space where the birth parent may include information that the birth parent feels is important for the adopted person to know.

(d) If a birth parent of an adopted person submits a completed contact preference form to the commissioner, the commissioner must:

(1) match the contact preference form to the adopted person's original birth record. The commissioner may request assistance from the commissioner of children, youth, and families if needed to discharge duties under this clause, as authorized under section 259.79; and

(2) attach the contact preference form to the original birth record as required under section 144.2252.

(e) A contact preference form submitted to the commissioner under this section is private data on an individual as defined in section 13.02, subdivision 12, except that the contact preference form may be released as provided under section 144.2252, subdivision 2.

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

Sec. 10. Minnesota Statutes 2022, section 243.166, subdivision 7, as amended by Laws 2024, chapter 79, article 9, section 5, is amended to read:

Subd. 7. **Use of data.** (a) Except as otherwise provided in subdivision 4b or 7a or sections 244.052 and 299C.093, the data provided under this section is private data on individuals under section 13.02, subdivision 12.

(b) The data may be used only by law enforcement and corrections agencies for law enforcement and corrections purposes. Law enforcement or a corrections agent may disclose the status of an individual as a predatory offender to a child protection worker with a local welfare agency for purposes of doing ~~a~~ an investigation or family assessment under chapter 260E. A corrections agent may also disclose the status of an individual as a predatory offender to comply with section 244.057.

(c) The commissioner of human services is authorized to have access to the data for purposes of completing background studies under chapter 245C.

(d) The direct care and treatment executive board is authorized to have access to data for any service, program, or facility owned or operated by the state of Minnesota and under the programmatic direction and fiscal control of the executive board for purposes described in section 246.13, subdivision 2, paragraph (b).

Sec. 11. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 7, as amended by Laws 2024, chapter 85, section 53, and Laws 2024, chapter 80, article 2, section 37, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, which does not include child foster residence settings with residential program certifications for compliance with the Family First Prevention Services Act under section 245A.25, subdivision 1, paragraph (a), or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a child foster residence setting that was previously exempt from the licensing moratorium under this paragraph has its Family First Prevention Services Act certification rescinded under section 245A.25, subdivision 9, or if a family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care; or

(5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 or elderly waiver plan under chapter 256S and residing in the customized living setting for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until December 31, 2023. This exception is available when:

(i) the person's customized living services are provided in a customized living service setting serving four or fewer people in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

(ii) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and

(iii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the customized living setting as determined by the lead agency.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) ~~shall~~ must be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information ~~shall~~ must be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

Sec. 12. Minnesota Statutes 2023 Supplement, section 256.046, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 2022, section 256J.08, subdivision 34a, is amended to read:

Subd. 34a. **Family violence.** (a) "Family violence" means the following, if committed against a family or household member by a family or household member:

(1) physical harm, bodily injury, or assault;

(2) the infliction of fear of ~~imminent~~ physical harm, bodily injury, or assault; or

(3) terroristic threats, within the meaning of section 609.713, subdivision 1; criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, 609.345, or 609.3451; or interference with an emergency call within the meaning of section 609.78, subdivision 2.

(b) For the purposes of family violence, "family or household member" means:

(1) spouses and former spouses;

(2) parents and children;

(3) persons related by blood;

(4) persons who are residing together or who have resided together in the past;

(5) persons who have a child in common regardless of whether they have been married or have lived together at any time;

(6) a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at anytime; and

(7) persons involved in a current or past significant romantic or sexual relationship.

Sec. 14. Minnesota Statutes 2022, section 256J.28, subdivision 1, is amended to read:

Subdivision 1. **Expedited issuance of the Supplemental Nutrition Assistance Program (SNAP) benefits.** ~~The following households are entitled to expedited issuance of SNAP benefits assistance:~~

~~(1) households with less than $150 in monthly gross income provided their liquid assets do not exceed $100;~~

~~(2) migrant or seasonal farm worker households who are destitute as defined in Code of Federal Regulations, title 7, subtitle B, chapter 2, subchapter C, part 273, section 273.10, paragraph (e)(3), provided their liquid assets do not exceed $100; and~~

~~(3) eligible households whose combined monthly gross income and liquid resources are less than the household's monthly rent or mortgage and utilities.~~

For any month an individual receives expedited SNAP benefits, the individual is not eligible for the MFIP food portion of assistance.

Sec. 15. Minnesota Statutes 2022, section 256N.22, subdivision 10, is amended to read:

Subd. 10. **Assigning a successor relative custodian for a child's Northstar kinship assistance.** (a) In the event of the death or incapacity of the relative custodian, eligibility for Northstar kinship assistance and title IV-E assistance, if applicable, is not affected if the relative custodian is replaced by a successor named in the Northstar kinship assistance benefit agreement. Northstar kinship assistance ~~shall~~ must be paid to a named successor who is not the child's legal parent, biological parent or stepparent, or other adult living in the home of the legal parent, biological parent, or stepparent.

(b) In order to receive Northstar kinship assistance, a named successor must:

(1) meet the background study requirements in subdivision 4;

(2) renegotiate the agreement consistent with section 256N.25, subdivision 2, including cooperating with an assessment under section 256N.24;

(3) be ordered by the court to be the child's legal relative custodian in a modification proceeding under section 260C.521, subdivision 2; and

(4) satisfy the requirements in this paragraph within one year of the relative custodian's death or incapacity unless the commissioner certifies that the named successor made reasonable attempts to satisfy the requirements within one year and failure to satisfy the requirements was not the responsibility of the named successor.

(c) Payment of Northstar kinship assistance to the successor guardian may be temporarily approved through the policies, procedures, requirements, and deadlines under section 256N.28, subdivision 2. Ongoing payment shall begin in the month when all the requirements in paragraph (b) are satisfied.

(d) Continued payment of Northstar kinship assistance may occur in the event of the death or incapacity of the relative custodian when:

(1) no successor has been named in the benefit agreement ~~when~~ or a named successor is not able or willing to accept custody or guardianship of the child; and

(2) the commissioner gives written consent to an individual who is a guardian or custodian appointed by a court for the child upon the death of both relative custodians in the case of assignment of custody to two individuals, or the sole relative custodian in the case of assignment of custody to one individual, unless the child is under the custody of a county, tribal, or child-placing agency.

(e) Temporary assignment of Northstar kinship assistance may be approved for a maximum of six consecutive months from the death or incapacity of the relative custodian or custodians as provided in paragraph (a) and must adhere to the policies, procedures, requirements, and deadlines under section 256N.28, subdivision 2, that are prescribed by the commissioner. If a court has not appointed a permanent legal guardian or custodian within six months, the Northstar kinship assistance must terminate and must not be resumed.

(f) Upon assignment of assistance payments under paragraphs (d) and (e), assistance must be provided from funds other than title IV-E.

Sec. 16. Minnesota Statutes 2022, section 256N.24, subdivision 10, is amended to read:

Subd. 10. **Caregiver requests for reassessments.** (a) A caregiver may initiate a reassessment request for an eligible child in writing to the financially responsible agency or, if there is no financially responsible agency, the agency designated by the commissioner. The written request must include the reason for the request and the name, address, and contact information of the caregivers. The caregiver may request a reassessment if at least six months have elapsed since any previous assessment or reassessment. For an eligible foster child, a foster parent may request reassessment in less than six months with written documentation that there have been significant changes in the child's needs that necessitate an earlier reassessment.

(b) A caregiver may request a reassessment of an at-risk child for whom an adoption assistance agreement has been executed if the caregiver has satisfied the commissioner with written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself, consistent with section 256N.25, subdivision 3, paragraph (b).

(c) If the reassessment cannot be completed within 30 days of the caregiver's request, the agency responsible for reassessment must notify the caregiver of the reason for the delay and a reasonable estimate of when the reassessment can be completed.

(d) Notwithstanding any provision to the contrary in paragraph (a) or subdivision 9, when a Northstar kinship assistance agreement or adoption assistance agreement under section 256N.25 has been signed by all parties, no reassessment may be requested or conducted until the court finalizes the transfer of permanent legal and physical custody or finalizes the adoption~~, or the assistance agreement expires according to section 256N.25, subdivision 1~~.

Sec. 17. Minnesota Statutes 2022, section 256N.26, subdivision 15, is amended to read:

Subd. 15. **Payments.** (a) Payments to caregivers or youth under Northstar Care for Children must be made monthly. Consistent with section 256N.24, subdivision 13, the financially responsible agency must send the caregiver or youth the required written notice within 15 days of a completed assessment or reassessment.

(b) Unless paragraph (c) ~~or,~~ (d), or (e) applies, the financially responsible agency shall pay foster parents directly for eligible children in foster care.

(c) When the legally responsible agency is different than the financially responsible agency, the legally responsible agency may make the payments to the caregiver or youth, provided payments are made on a timely basis. The financially responsible agency must pay the legally responsible agency on a timely basis. Caregivers must have access to the financially and legally responsible agencies' records of the transaction, consistent with the retention schedule for the payments.

(d) For eligible children in foster care, the financially responsible agency may pay the foster parent's payment for a licensed child-placing agency instead of paying the foster parents directly. The licensed child-placing agency must timely pay the foster parents and maintain records of the transaction. Caregivers must have access to the financially responsible agency's records of the transaction and the child-placing agency's records of the transaction, consistent with the retention schedule for the payments.

(e) If a foster youth aged 18 to 21 years old is placed in an unlicensed supervised independent living setting, payments must be made directly to the youth or to a vendor if the legally responsible agency determines it to be in the youth's best interests. If the legally responsible agency has reason to believe that the youth is being financially exploited or at risk of being financially exploited in the approved unlicensed supervised independent living setting, the legally responsible agency shall advise the financially responsible agency to make the payments to a vendor.

Sec. 18. Minnesota Statutes 2022, section 256N.26, subdivision 16, is amended to read:

Subd. 16. **Effect of benefit on other aid.** Payments received under this section must not be considered as income for child care assistance under chapter 119B or any other financial benefit. Consistent with section 256J.24, a child or youth receiving a maintenance payment under Northstar Care for Children is excluded from any Minnesota family investment program assistance unit.

Sec. 19. Minnesota Statutes 2022, section 256N.26, subdivision 18, is amended to read:

Subd. 18. **Overpayments.** The commissioner has the authority to collect any amount of foster care payment, adoption assistance, or Northstar kinship assistance paid to a caregiver or youth in excess of the payment due. Payments covered by this subdivision include basic maintenance needs payments, supplemental difficulty of care payments, and reimbursement of home and vehicle modifications under subdivision 10. Prior to any collection, the commissioner or the commissioner's designee shall notify the caregiver or youth in writing, including:

(1) the amount of the overpayment and an explanation of the cause of overpayment;

(2) clarification of the corrected amount;

(3) a statement of the legal authority for the decision;

(4) information about how the caregiver can correct the overpayment;

(5) if repayment is required, when the payment is due and a person to contact to review a repayment plan;

(6) a statement that the caregiver or youth has a right to a fair hearing review by the department; and

(7) the procedure for seeking a fair hearing review by the department.

Sec. 20. Minnesota Statutes 2022, section 256N.26, subdivision 21, is amended to read:

Subd. 21. **Correct and true information.** The caregiver or youth must be investigated for fraud if the caregiver or youth reports information the caregiver or youth knows is untrue, the caregiver or youth fails to notify the commissioner of changes that may affect eligibility, or the agency administering the program receives relevant information that the caregiver or youth did not report.

Sec. 21. Minnesota Statutes 2022, section 256N.26, subdivision 22, is amended to read:

Subd. 22. **Termination notice for caregiver or youth.** The agency that issues the maintenance payment shall provide the child's caregiver or the youth with written notice of termination of payment. Termination notices must be sent at least 15 days before the final payment or, in the case of an unplanned termination, the notice is sent within three days of the end of the payment. The written notice must minimally include the following:

(1) the date payment will end;

(2) the reason payments will end and the event that is the basis to terminate payment;

(3) a statement that the ~~provider~~ caregiver or youth has a right to a fair hearing review by the department consistent with section 256.045, subdivision 3;

(4) the procedure to request a fair hearing; and

(5) the name, telephone number, and email address of a contact person at the agency.

Sec. 22. Minnesota Statutes 2022, section 256P.05, is amended by adding a subdivision to read:

Subd. 4. **Rental income.** Rental income is subject to the requirements of this section.

Sec. 23. Minnesota Statutes 2023 Supplement, section 256P.06, subdivision 3, is amended to read:

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

(1) earned income; and

(2) unearned income, which includes:

(i) interest and dividends from investments and savings;

(ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

(iii) ~~proceeds from rent and~~ contract for deed payments in excess of the principal and interest portion owed on property;

(iv) income from trusts, excluding special needs and supplemental needs trusts;

(v) interest income from loans made by the participant or household;

(vi) cash prizes and winnings;

(vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:

(A) 18 years of age and enrolled in a secondary school; or

(B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

(viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors, and disability insurance payments;

(ix) retirement benefits;

(x) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I, and 256J;

(xi) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;

(xii) for the purposes of programs under chapters 119B, 256D, and 256I, all child support payments;

(xiii) for the purposes of programs under chapter 256J, the amount of child support received that exceeds $100 for assistance units with one child and $200 for assistance units with two or more children;

(xiv) spousal support;

(xv) workers' compensation; and

(xvi) for the purposes of programs under chapters 119B and 256J, the amount of retirement, survivors, and disability insurance payments that exceeds the applicable monthly federal maximum Supplemental Security Income payments.

Sec. 24. Minnesota Statutes 2022, section 259.37, subdivision 2, is amended to read:

Subd. 2. **Disclosure to birth parents and adoptive parents.** An agency shall provide a disclosure statement written in clear, plain language to be signed by the prospective adoptive parents and birth parents, except that in intercountry adoptions, the signatures of birth parents are not required. The disclosure statement must contain the following information:

(1) fees charged to the adoptive parent, including any policy on sliding scale fees or fee waivers and an itemization of the amount that will be charged for the adoption study, counseling, postplacement services, family of origin searches, birth parent expenses authorized under section 259.55, or any other services;

(2) timeline for the adoptive parent to make fee payments;

(3) likelihood, given the circumstances of the prospective adoptive parent and any specific program to which the prospective adoptive parent is applying, that an adoptive placement may be made and the estimated length of time for making an adoptive placement. These estimates must be based on adoptive placements made with prospective parents in similar circumstances applying to a similar program with the agency during the immediately preceding three to five years. If an agency has not been in operation for at least three years, it must provide summary data based on whatever adoptive placements it has made and may include a statement about the kind of efforts it will make to achieve an adoptive placement, including a timetable it will follow in seeking a child. The estimates must include a statement that the agency cannot guarantee placement of a child or a time by which a child will be placed;

(4) a statement of the services the agency will provide the birth and adoptive parents;

(5) a statement prepared by the commissioner under section 259.39 that explains the child placement and adoption process and the respective legal rights and responsibilities of the birth parent and prospective adoptive parent during the process including a statement that the prospective adoptive parent is responsible for filing an adoption petition not later than 12 months after the child is placed in the prospective adoptive home;

(6) a statement regarding any information the agency may have about attorney referral services, or about obtaining assistance with completing legal requirements for an adoption; ~~and~~

(7) a statement regarding the right of an adopted person to request and obtain a copy of the adopted person's original birth record at the age and circumstances specified in section 144.2253 and the right of the birth parent named on the adopted person's original birth record to file a contact preference form with the state registrar pursuant to section 144.2253; and

~~(7)~~ (8) an acknowledgment to be signed by the birth parent and prospective adoptive parent that they have received, read, and had the opportunity to ask questions of the agency about the contents of the disclosure statement.

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

Sec. 25. Minnesota Statutes 2022, section 259.53, is amended by adding a subdivision to read:

Subd. 7. **Supportive parenting services for parents with disabilities.** (a) A court or agency shall not deny a prospective parent the ability to proceed with an adoption due to the prospective parent's disability. A person who raises a prospective parent's disability as a basis for denying an adoption has the burden to prove by clear and

convincing evidence that specific behaviors of the prospective parent would endanger the health or safety of the child. If the person meets the burden, the prospective parent with a disability shall have the opportunity to demonstrate how implementing supportive services would alleviate any concerns.

(b) The court may require the agency that conducted the postplacement assessment and filed the report with the court under subdivision 2 to provide the opportunity to use supportive parenting services to a prospective parent, conduct a new postplacement assessment that is inclusive of the prospective parent's use of supportive parenting services, and file a revised report with the court under subdivision 2. This paragraph does not confer additional responsibility to the agency to provide supportive parenting services directly to the prospective parent. Within a reasonable period of time, the prospective parent has the right to a court hearing to review the need for continuing services.

(c) If a court denies or limits the ability of a prospective parent with a disability to adopt a child, the court shall make specific written findings stating the basis for the determination and why providing supportive parenting services is not a reasonable accommodation that could prevent the denial or limitation.

(d) For purposes of this subdivision, "disability" and "supportive parenting services" have the meanings given in section 260C.141, subdivision 1a.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to pleadings and motions pending on or after that date.

Sec. 26. Minnesota Statutes 2022, section 259.79, subdivision 1, is amended to read:

Subdivision 1. **Content.** (a) The adoption records of the commissioner's agents and licensed child-placing agencies shall contain copies of all relevant legal documents, responsibly collected genetic, medical and social history of the child and the child's birth parents, the child's placement record, copies of all pertinent agreements, contracts, and correspondence relevant to the adoption, and copies of all reports and recommendations made to the court.

(b) The commissioner of human services shall maintain a permanent record of all adoptions granted in district court in Minnesota regarding children who are:

(1) under guardianship of the commissioner or a licensed child-placing agency according to section 260C.317 or 260C.515, subdivision 3;

(2) placed by the commissioner, commissioner's agent, or licensed child-placing agency after a consent to adopt according to section 259.24 or under an agreement conferring authority to place for adoption according to section 259.25; or

(3) adopted after a direct adoptive placement approved by the district court under section 259.47.

Each record shall contain identifying information about the child, the birth or legal parents, and adoptive parents, including race where such data is available. The record must also contain: (1) the date the child was legally freed for adoption; (2) the date of the adoptive placement; (3) the name of the placing agency; (4) the county where the adoptive placement occurred; (5) the date that the petition to adopt was filed; (6) the county where the petition to adopt was filed; and (7) the date and county where the adoption decree was granted.

(c) Identifying information contained in the adoption record ~~shall~~ must be confidential and ~~shall~~ must be disclosed only pursuant to section 259.61 or, for adoption records maintained by the commissioner of human services, upon request from the commissioner of health or state registrar pursuant to sections 144.2252 and 144.2253.

Sec. 27. Minnesota Statutes 2023 Supplement, section 259.83, subdivision 1, is amended to read:

Subdivision 1. **Services provided.** (a) Agencies shall provide assistance and counseling services upon receiving a request for current information from adoptive parents, birth parents, ~~or~~ adopted persons aged 18 years of age and older, or adult siblings of adopted persons. The agency shall contact the other adult persons or the adoptive parents of a minor child in a personal and confidential manner to determine whether there is a desire to receive or share information or to have contact. If there is such a desire, the agency shall provide the services requested. The agency shall ~~provide services to adult genetic siblings if there is no known violation of the confidentiality of a birth parent or if the birth parent gives written consent~~ complete the search request within six months of the request being made. If the agency is unable to complete the search request within the specified time frame, the agency shall inform the requester of the status of the request and include a reasonable estimate of when the request can be completed.

(b) Upon a request for assistance or services from an adoptive parent of a minor child, birth parent, or an adopted person 18 years of age or older, the agency must inform the person:

(1) about the right of an adopted person to request and obtain a copy of the adopted person's original birth record at the age and circumstances specified in section 144.2253; and

(2) about the right of the birth parent named on the adopted person's original birth record to file a contact preference form with the state registrar pursuant to section 144.2253.

~~In~~ When making or supervising an adoptive ~~placements~~ placement, the agency must provide in writing to the birth parents listed on the original birth record the information required under this ~~section~~ paragraph and section 259.37, subdivision 2, clause (7).

Sec. 28. Minnesota Statutes 2023 Supplement, section 259.83, subdivision 1b, is amended to read:

Subd. 1b. **~~Genetic~~ Siblings.** (a) A person who is at least 18 years of age who was adopted or~~, because of a termination of parental rights,~~ who was committed to the guardianship of the commissioner of human services~~, whether adopted or~~ and not~~,~~ adopted must upon request be advised of other siblings who were adopted or who were committed to the guardianship of the commissioner of human services and not adopted.

(b) The agency must provide assistance ~~must be provided by the county or placing agency of~~ to the person requesting information to the extent that information is available in the ~~existing~~ records ~~at the Department of Human Services~~ required to be kept under section 259.79. If the sibling received services from another agency, the agencies must share necessary information in order to locate the other siblings and to offer services, as requested. ~~Upon the determination that parental rights with respect to another sibling were terminated, identifying information and contact must be provided only upon mutual consent.~~ A reasonable fee may be imposed by the ~~county or placing~~ agency.

Sec. 29. Minnesota Statutes 2023 Supplement, section 259.83, subdivision 3a, is amended to read:

Subd. 3a. **Birth parent identifying information.** (a) This subdivision applies to adoptive placements where an adopted person does not have a record of live birth registered in this state. Upon written request by an adopted person 18 years of age or older, the agency responsible for or supervising the placement must provide to the requester the following identifying information related to the birth parents listed on that adopted person's original birth record, to the extent the information is available:

(1) each of the birth parent's names; and

(2) each of the birth parent's birthdate and birthplace.

(b) The agency may charge a reasonable fee to the requester for providing the required information under paragraph (a).

(c) The agency, acting in good faith and in a lawful manner in disclosing the identifying information under this subdivision, is not civilly liable for such disclosure.

Sec. 30. Minnesota Statutes 2022, section 259.83, subdivision 4, is amended to read:

Subd. 4. **Confidentiality.** Agencies shall provide adoptive parents, birth parents and adult siblings, and adopted persons aged ~~19~~ 18 years and over reasonable assistance in a manner consistent with state and federal laws, rules, and regulations regarding the confidentiality and privacy of child welfare and adoption records.

Sec. 31. Minnesota Statutes 2022, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03, subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian. A child is not considered to be without proper parental care based solely on the disability of the child's parent, guardian, or custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) has committed a delinquent act or a juvenile petty offense before becoming ten years old;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child.

Sec. 32. Minnesota Statutes 2022, section 260C.141, is amended by adding a subdivision to read:

Subd. 1a. **Supportive parenting services.** (a) A person or agency shall not file a petition alleging that a child is in need of protection or services on the basis of a parent's disability. To make a prima facie showing that a child protection matter exists, the petitioner must demonstrate in the petition that the child is in need of protection or services due to specific behaviors of a parent or household member. The local agency or court must offer a parent with a disability the opportunity to use supportive parenting services to assist the parent if the petitioner makes a prima facie showing that through specific behaviors, a parent with a disability cannot provide for the child's safety, health, or welfare. If a court removes a child from a parent's home, the court shall make specific written findings stating the basis for removing the child and why providing supportive parenting services is not a reasonable accommodation that could prevent the child's out-of-home placement.

(b) For purposes of this subdivision, "supportive parenting services" means services that may assist a parent with a disability in the effective use of techniques and methods to enable the parent to discharge the parent's responsibilities to a child as successfully as a parent who does not have a disability, including nonvisual techniques for a parent who is blind.

(c) For purposes of this subdivision, "disability" means:

(1) physical or mental impairment that substantially limits one or more of a parent's major life activities;

(2) a record of having a physical or mental impairment that substantially limits one or more of a parent's major life activities; or

(3) being regarded as having a physical or mental impairment that substantially limits one or more of a parent's major life activities.

(d) The term "disability" must be construed in accordance with the ADA Amendments Act of 2008, Public Law 110-325.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to pleadings and motions pending on or after that date.

Sec. 33. Minnesota Statutes 2022, section 260C.178, subdivision 7, is amended to read:

Subd. 7. ~~**Out-of-home placement**~~ **Case plan.** (a) When the court has ordered the child into the care of a parent under subdivision 1, paragraph (c), clause (1), the child protective services plan under section 260E.26 must be filed within 30 days of the filing of the juvenile protection petition under section 260C.141, subdivision 1.

~~(a)~~ (b) When the court orders the child into foster care under subdivision 1, paragraph (c), clause (2), and not into the care of a parent, an out-of-home placement plan required under section 260C.212 ~~shall~~ must be filed with the court within 30 days of the filing of a juvenile protection petition under section 260C.141, subdivision 1, when the court orders emergency removal of the child under this section, or filed with the petition if the petition is a review of a voluntary placement under section 260C.141, subdivision 2.

~~(b)~~ (c) Upon the filing of the child protective services plan under section 260E.26 or out-of-home placement plan ~~which~~ that has been developed jointly with the parent and in consultation with others as required under section 260C.212, subdivision 1, the court may approve implementation of the plan by the responsible social services agency based on the allegations contained in the petition and any evaluations, examinations, or assessments conducted under subdivision 1, paragraph ~~(l)~~ (m). The court shall send written notice of the approval of the child protective services plan or out-of-home placement plan to all parties and the county attorney or may state such approval on the record at a hearing. A parent may agree to comply with the terms of the plan filed with the court.

~~(c)~~ (d) The responsible social services agency shall make reasonable efforts to engage both parents of the child in case planning. The responsible social service agency shall report the results of its efforts to engage the child's parents in the child protective services plan or out-of-home placement plan filed with the court. The agency shall notify the court of the services it will provide or efforts it will attempt under the plan notwithstanding the parent's refusal to cooperate or disagreement with the services. The parent may ask the court to modify the plan to require different or additional services requested by the parent, but which the agency refused to provide. The court may approve the plan as presented by the agency or may modify the plan to require services requested by the parent. The court's approval ~~shall~~ must be based on the content of the petition.

~~(d)~~ (e) Unless the parent agrees to comply with the terms of the child protective services plan or out-of-home placement plan, the court may not order a parent to comply with the provisions of the plan until the court finds the child is in need of protection or services and orders disposition under section 260C.201, subdivision 1. However, the court may find that the responsible social services agency has made reasonable efforts for reunification if the agency makes efforts to implement the terms of ~~an~~ the child protective services plan or out-of-home placement plan approved under this section.

Sec. 34. Minnesota Statutes 2022, section 260C.202, is amended to read:

260C.202 COURT REVIEW OF ~~FOSTER CARE~~ DISPOSITION.

Subdivision 1. **Court review for a child in the home of a parent under protective supervision.** If the court orders a child into the home of a parent under the protective supervision of the responsible social services agency or child-placing agency under section 260C.201, subdivision 1, paragraph (a), clause (1), the court shall review the child protective services plan under section 260E.26 at least every 90 days. The court shall notify the parents of the provisions of sections 260C.503 to 260C.521, as required under juvenile court rules.

Subd. 2. **Court review for a child placed in foster care.** (a) If the court orders a child placed in foster care, the court shall review the out-of-home placement plan and the child's placement at least every 90 days as required in juvenile court rules to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned home.

(b) This review is not required if the court has returned the child home, ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521, or terminated rights under section 260C.301. Court review for a child permanently placed away from a parent, including where the child is under guardianship of the commissioner, ~~shall be~~ is governed by section 260C.607.

(c) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

~~(b)~~ (d) No later than three months after the child's placement in foster care, the court shall review agency efforts to search for and notify relatives pursuant to section 260C.221, and order that the agency's efforts begin immediately, or continue, if the agency has failed to perform, or has not adequately performed, the duties under that section. The court must order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to consider relatives for foster care placement consistent with section 260C.221. Notwithstanding a court's finding that the agency has made reasonable efforts to search for and notify relatives under section 260C.221, the court may order the agency to continue making reasonable efforts to search for, notify, engage, and consider relatives who came to the agency's attention after sending the initial notice under section 260C.221.

~~(c)~~ (e) The court shall review the out-of-home placement plan and may modify the plan as provided under section 260C.201, subdivisions 6 and 7.

~~(d)~~ (f) When the court transfers the custody of a child to a responsible social services agency resulting in foster care or protective supervision with a noncustodial parent under subdivision 1, the court shall notify the parents of the provisions of sections 260C.204 and 260C.503 to 260C.521, as required under juvenile court rules.

~~(e)~~ (g) When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court shall at least annually conduct the review required under section 260C.203.

Sec. 35. Minnesota Statutes 2022, section 260C.209, subdivision 1, is amended to read:

Subdivision 1. **Subjects.** The responsible social services agency may have access to the criminal history and history of child and adult maltreatment on the following individuals:

(1) a noncustodial parent or nonadjudicated parent who is being assessed for purposes of providing day-to-day care of a child temporarily or permanently under section 260C.219 and any member of the parent's household who is over the age of 13 when there is a reasonable cause to believe that the parent or household member over age 13 has a criminal history or a history of maltreatment of a child or vulnerable adult ~~which~~ that would endanger the child's health, safety, or welfare;

(2) an individual ~~whose suitability for relative placement under section 260C.221 is being determined~~ and any member of the ~~relative's~~ individual's household who is over the age of 13 when:

~~(i) the relative must be licensed for foster care; or~~

(i) the individual is being considered for relative placement under section 260C.221;

(ii) the background study is required under section 259.53, subdivision 2; or

(iii) ~~the agency or the commissioner has reasonable cause to believe the relative or household member over the age of 13 has a criminal history which would not make~~ a petition to transfer ~~of~~ permanent legal and physical custody to the relative ~~under~~ has been filed according to section 260C.515, subdivision 4, ~~in the child's best interest~~ paragraph (d), and the relative is not pursuing Northstar kinship assistance eligibility for the child under chapter 256N; and

(3) a parent, following an out-of-home placement, when the responsible social services agency has reasonable cause to believe that the parent has been convicted of a crime directly related to the parent's capacity to maintain the child's health, safety, or welfare or the parent is the subject of an open investigation of, or has been the subject of a substantiated allegation of, child or vulnerable-adult maltreatment within the past ten years.

"Reasonable cause" means that the agency has received information or a report from the subject or a third person that creates an articulable suspicion that the individual has a history that may pose a risk to the health, safety, or welfare of the child. The information or report must be specific to the potential subject of the background check and ~~shall~~ must not be based on the race, religion, ethnic background, age, class, or lifestyle of the potential subject.

Sec. 36. Minnesota Statutes 2022, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.

(b) An out-of-home placement plan means a written document individualized to the needs of the child and the child's parents or guardians that is prepared by the responsible social services agency jointly with the child's parents or guardians and in consultation with the child's guardian ad litem; the child's tribe, if the child is an Indian child; the child's foster parent or representative of the foster care facility; and, when appropriate, the child. When a child is age 14 or older, the child may include two other individuals on the team preparing the child's out-of-home placement plan. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards. The responsible social services agency may reject an individual selected by the child if the agency has good cause to believe that the individual would not act in the best interest of the child. For a child in voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. For a child 18 years of age or older, the responsible social services agency shall involve the child and the child's parents as appropriate. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(c) The out-of-home placement plan shall be explained by the responsible social services agency to all persons involved in the plan's implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the foster care home or facility selected, including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like setting available that is in close proximity to the home of the child's parents or guardians when the case plan goal is reunification; and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) the specific reasons for the placement of the child in foster care, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents that necessitated removal of the child from home and the changes the parent or parents must make for the child to safely return home;

(3) a description of the services offered and provided to prevent removal of the child from the home and to reunify the family including:

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not placed together in foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in foster care;

(6) when a child cannot return to or be in the care of either parent, documentation of steps to finalize adoption as the permanency plan for the child through reasonable efforts to place the child for adoption pursuant to section 260C.605. At a minimum, the documentation must include consideration of whether adoption is in the best interests of the child and child-specific recruitment efforts such as a relative search, consideration of relatives for adoptive placement, and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b);

(7) when a child cannot return to or be in the care of either parent, documentation of steps to finalize the transfer of permanent legal and physical custody to a relative as the permanency plan for the child. This documentation must support the requirements of the kinship placement agreement under section 256N.22 and must include the reasonable efforts used to determine that it is not appropriate for the child to return home or be adopted, and reasons why permanent placement with a relative through a Northstar kinship assistance arrangement is in the child's best interest; how the child meets the eligibility requirements for Northstar kinship assistance payments; agency efforts to

discuss adoption with the child's relative foster parent and reasons why the relative foster parent chose not to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or parents the permanent transfer of permanent legal and physical custody or the reasons why these efforts were not made;

(8) efforts to ensure the child's educational stability while in foster care for a child who attained the minimum age for compulsory school attendance under state law and is enrolled full time in elementary or secondary school, or instructed in elementary or secondary education at home, or instructed in an independent study elementary or secondary program, or incapable of attending school on a full-time basis due to a medical condition that is documented and supported by regularly updated information in the child's case plan. Educational stability efforts include:

(i) efforts to ensure that the child remains in the same school in which the child was enrolled prior to placement or upon the child's move from one placement to another, including efforts to work with the local education authorities to ensure the child's educational stability and attendance; or

(ii) if it is not in the child's best interest to remain in the same school that the child was enrolled in prior to placement or move from one placement to another, efforts to ensure immediate and appropriate enrollment for the child in a new school;

(9) the educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) a statement about how the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement; and

(v) any other relevant educational information;

(10) the efforts by the responsible social services agency to ensure the oversight and continuity of health care services for the foster child, including:

(i) the plan to schedule the child's initial health screens;

(ii) how the child's known medical problems and identified needs from the screens, including any known communicable diseases, as defined in section 144.4172, subdivision 2, shall be monitored and treated while the child is in foster care;

(iii) how the child's medical information shall be updated and shared, including the child's immunizations;

(iv) who is responsible to coordinate and respond to the child's health care needs, including the role of the parent, the agency, and the foster parent;

(v) who is responsible for oversight of the child's prescription medications;

(vi) how physicians or other appropriate medical and nonmedical professionals shall be consulted and involved in assessing the health and well-being of the child and determine the appropriate medical treatment for the child; and

(vii) the responsibility to ensure that the child has access to medical care through either medical insurance or medical assistance;

(11) the health records of the child including information available regarding:

(i) the names and addresses of the child's health care and dental care providers;

(ii) a record of the child's immunizations;

(iii) the child's known medical problems, including any known communicable diseases as defined in section 144.4172, subdivision 2;

(iv) the child's medications; and

(v) any other relevant health care information such as the child's eligibility for medical insurance or medical assistance;

(12) an independent living plan for a child 14 years of age or older, developed in consultation with the child. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards in subdivision 14. The plan should include, but not be limited to, the following objectives:

(i) educational, vocational, or employment planning;

(ii) health care planning and medical coverage;

(iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;

(iv) money management, including the responsibility of the responsible social services agency to ensure that the child annually receives, at no cost to the child, a consumer report as defined under section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

(v) planning for housing;

(vi) social and recreational skills;

(vii) establishing and maintaining connections with the child's family and community; and

(viii) regular opportunities to engage in age-appropriate or developmentally appropriate activities typical for the child's age group, taking into consideration the capacities of the individual child;

(13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes;

(14) for a child 14 years of age or older, a signed acknowledgment that describes the child's rights regarding education, health care, visitation, safety and protection from exploitation, and court participation; receipt of the documents identified in section 260C.452; and receipt of an annual credit report. The acknowledgment shall state that the rights were explained in an age-appropriate manner to the child; and

(15) for a child placed in a qualified residential treatment program, the plan must include the requirements in section 260C.708.

(d) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

(e) Before an out-of-home placement plan is signed by the parent or parents or guardian of the child, the responsible social services agency must provide the parent or parents or guardian with a one- to two-page summary of the plan using a form developed by the commissioner. The out-of-home placement plan summary must clearly summarize the plan's contents under paragraph (c) and list the requirements and responsibilities for the parent or parents or guardian using plain language. The summary must be updated and provided to the parent or parents or guardian when the out-of-home placement plan is updated under subdivision 1a.

~~(e)~~ (f) After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

~~(f)~~ (g) Upon the child's discharge from foster care, the responsible social services agency must provide the child's parent, adoptive parent, or permanent legal and physical custodian, and the child, if the child is 14 years of age or older, with a current copy of the child's health and education record. If a child meets the conditions in subdivision 15, paragraph (b), the agency must also provide the child with the child's social and medical history. The responsible social services agency may give a copy of the child's health and education record and social and medical history to a child who is younger than 14 years of age, if it is appropriate and if subdivision 15, paragraph (b), applies.

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

Sec. 37. Minnesota Statutes 2022, section 260C.212, subdivision 2, is amended to read:

Subd. 2. **Placement decisions based on best interests of the child.** (a) The policy of the state of Minnesota is to ensure that the child's best interests are met by requiring an individualized determination of the needs of the child in consideration of paragraphs (a) to (f), and of how the selected placement will serve the current and future needs of the child being placed. The authorized child-placing agency shall place a child, released by court order or by voluntary release by the parent or parents, in a family foster home selected by considering placement with relatives in the following order:

(1) with an individual who is related to the child by blood, marriage, or adoption, including the legal parent, guardian, or custodian of the child's sibling; or

(2) with an individual who is an important friend of the child or of the child's parent or custodian, including an individual with whom the child has resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

For an Indian child, the agency shall follow the order of placement preferences in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1915.

(b) Among the factors the agency shall consider in determining the current and future needs of the child are the following:

(1) the child's current functioning and behaviors;

(2) the medical needs of the child;

(3) the educational needs of the child;

(4) the developmental needs of the child;

(5) the child's history and past experience;

(6) the child's religious and cultural needs;

(7) the child's connection with a community, school, and faith community;

(8) the child's interests and talents;

(9) the child's current and long-term needs regarding relationships with parents, siblings, relatives, and other caretakers;

(10) the reasonable preference of the child, if the court, or the child-placing agency in the case of a voluntary placement, deems the child to be of sufficient age to express preferences; and

(11) for an Indian child, the best interests of an Indian child as defined in section 260.755, subdivision 2a.

When placing a child in foster care or in a permanent placement based on an individualized determination of the child's needs, the agency must not use one factor in this paragraph to the exclusion of all others, and the agency shall consider that the factors in paragraph (b) may be interrelated.

(c) Placement of a child cannot be delayed or denied based on race, color, or national origin of the foster parent or the child.

(d) Siblings should be placed together for foster care and adoption at the earliest possible time unless it is documented that a joint placement would be contrary to the safety or well-being of any of the siblings or unless it is not possible after reasonable efforts by the responsible social services agency. In cases where siblings cannot be placed together, the agency is required to provide frequent visitation or other ongoing interaction between siblings unless the agency documents that the interaction would be contrary to the safety or well-being of any of the siblings.

(e) ~~Except for emergency placement as provided for in section 245A.035,~~ The following requirements must be satisfied before the approval of a foster ~~or adoptive~~ placement in a related or unrelated home: (1) a completed background study under section 245C.08; and (2) a completed review of the written home study required under section 260C.215, subdivision 4, clause (5), ~~or 260C.611,~~ to assess the capacity of the prospective foster ~~or adoptive~~ parent to ensure the placement will meet the needs of the individual child. <u>For adoptive placements in a related or unrelated home, the home must meet the requirements of section 260C.611.</u>

(f) The agency must determine whether colocation with a parent who is receiving services in a licensed residential family-based substance use disorder treatment program is in the child's best interests according to paragraph (b) and include that determination in the child's case plan under subdivision 1. The agency may consider additional factors not identified in paragraph (b). The agency's determination must be documented in the child's case plan before the child is colocated with a parent.

(g) The agency must establish a juvenile treatment screening team under section 260C.157 to determine whether it is necessary and appropriate to recommend placing a child in a qualified residential treatment program, as defined in section 260C.007, subdivision 26d.

(h) A child in foster care must not be placed in an unlicensed emergency relative placement under section 245A.035 or licensed family foster home when the responsible social services agency is aware that a prospective foster parent, license applicant, license holder, or adult household member has a permanent disqualification under section 245C.15, subdivision 4a, paragraphs (a) and (b).

Sec. 38. Minnesota Statutes 2022, section 260C.301, subdivision 1, as amended by Laws 2024, chapter 80, article 8, section 27, is amended to read:

Subdivision 1. **Voluntary and involuntary.** The juvenile court may upon petition, terminate all rights of a parent to a child:

(a) with the written consent of a parent who for good cause desires to terminate parental rights; or

(b) if it finds that one or more of the following conditions exist:

(1) that the parent has abandoned the child;

(2) that the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and either reasonable efforts by the social services agency have failed to correct the conditions that formed the basis of the petition or reasonable efforts would be futile and therefore unreasonable;

~~(3) that a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth;~~

~~(4)~~ (3) that a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent and child relationship upon a showing that the parent's parental rights to one or more other children were involuntarily terminated or that the parent's custodial rights to another child have been involuntarily transferred to a relative under a juvenile protection proceeding or a similar process of another jurisdiction;

~~(5)~~ (4) that following the child's placement out of the home, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the child's placement. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child has resided out of the parental home under court order for a cumulative period of 12 months within the preceding 22 months. In the case of a child under age eight at the time the petition was filed alleging the child to be in need of protection or services, the presumption arises when the child has resided out of the parental home under court order for six months unless the parent has maintained regular contact with the child and the parent is complying with the out-of-home placement plan;

(ii) the court has approved the out-of-home placement plan required under section 260C.212 and filed with the court under section 260C.178;

(iii) conditions leading to the out-of-home placement have not been corrected. It is presumed that conditions leading to a child's out-of-home placement have not been corrected upon a showing that the parent or parents have not substantially complied with the court's orders and a reasonable case plan; and

(iv) reasonable efforts have been made by the social services agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year, or in the case of a child under age eight, prior to six months after a child has been placed out of the home.

It is also presumed that reasonable efforts have failed under this clause upon a showing that:

(A) the parent has been diagnosed as chemically dependent by a professional certified to make the diagnosis;

(B) the parent has been required by a case plan to participate in a chemical dependency treatment program;

(C) the treatment programs offered to the parent were culturally, linguistically, and clinically appropriate;

(D) the parent has either failed two or more times to successfully complete a treatment program or has refused at two or more separate meetings with a caseworker to participate in a treatment program; and

(E) the parent continues to abuse chemicals.

~~(6)~~ (5) that a child has experienced egregious harm in the parent's care ~~which~~ that is of a nature, duration, or chronicity that indicates a lack of regard for the child's well-being, such that a reasonable person would believe it contrary to the best interest of the child or of any child to be in the parent's care;

~~(7)~~ (6) that in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.49 and the person has not registered with the fathers' adoption registry under section 259.52;

~~(8)~~ (7) that the child is neglected and in foster care; or

~~(9)~~ (8) that the parent has been convicted of a crime listed in section 260.012, paragraph (g), clauses (1) to (5).

In an action involving an American Indian child, sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, control to the extent that the provisions of this section are inconsistent with those laws.

Sec. 39. Minnesota Statutes 2022, section 260C.515, subdivision 4, is amended to read:

Subd. 4. **Transfer of permanent legal and physical custody ~~to relative~~.** (a) The court may order a transfer of permanent legal and physical custody to:

(1) a parent. The court must find that the parent understands a transfer of permanent legal and physical custody includes permanent, ongoing responsibility for the protection, education, care, and control of the child and decision making on behalf of the child until adulthood; or

(2) a fit and willing relative ~~in the best interests of the child~~ according to the ~~following~~ requirements~~:~~ in paragraph (b).

~~(1)~~ (b) An order for transfer of permanent legal and physical custody to a relative ~~shall~~ must only be made after the court has reviewed the suitability of the prospective legal and physical custodian~~;~~, including a summary of information obtained from required background studies under section 245C.33 or 260C.209, if the court finds the permanency disposition to be in the child's best interests.

~~(2)~~ In transferring permanent legal and physical custody to a relative, the juvenile court shall follow the standards applicable under this chapter and chapter 260, and the procedures in the Minnesota Rules of Juvenile Protection Procedure~~;~~. The court must issue written findings that include the following:

(1) the prospective legal and physical custodian understands that:

~~(3)~~ (i) a transfer of permanent legal and physical custody includes permanent, ongoing responsibility for the protection, education, care, and control of the child and decision making on behalf of the child until adulthood; and

~~(4)~~ (ii) a permanent legal and physical custodian ~~may~~ shall not return a child to the permanent care of a parent from whom the court removed custody without the court's approval and without notice to the responsible social services agency;

(2) transfer of permanent legal and physical custody and receipt of Northstar kinship assistance under chapter 256N, when requested and the child is eligible, are in the child's best interests;

(3) when the agency files the petition under paragraph (c) or supports the petition filed under paragraph (d), adoption is not in the child's best interests based on the determinations in the kinship placement agreement required under section 256N.22, subdivision 2;

(4) the agency made efforts to discuss adoption with the child's parent or parents, or the agency did not make efforts to discuss adoption and the reasons why efforts were not made; and

(5) there are reasons to separate siblings during placement, if applicable.

~~(5)~~ (c) The responsible social services agency may file a petition naming a fit and willing relative as a proposed permanent legal and physical custodian. A petition for transfer of permanent legal and physical custody to a relative ~~who is not a parent~~ shall include facts upon which the court can determine suitability of the proposed custodian, including a summary of results from required background studies completed under section 245C.33. The petition must be accompanied by a kinship placement agreement under section 256N.22, subdivision 2, between the agency and proposed permanent legal and physical custodian~~;~~.

~~(6)~~ (d) Another party to the permanency proceeding regarding the child may file a petition to transfer permanent legal and physical custody to a relative. The petition must include facts upon which the court can make the ~~determination~~ determinations required under ~~clause (7) and~~ paragraph (b), including suitability of the proposed custodian and, if completed, a summary of results from required background studies completed under section 245C.33 or 260C.209. If background studies have not been completed at the time of filing the petition, they must be completed and a summary of results provided to the court prior to the court granting the petition or finalizing the order according to paragraph (e). The petition must be filed ~~not~~ no later than the date for the required admit-deny hearing under section 260C.507; or if the agency's petition is filed under section 260C.503, subdivision 2, the petition must be filed not later than 30 days prior to the trial required under section 260C.509~~;~~.

~~(7) where a petition is for transfer of permanent legal and physical custody to a relative who is not a parent, the court must find that:~~

~~(i) transfer of permanent legal and physical custody and receipt of Northstar kinship assistance under chapter 256N, when requested and the child is eligible, are in the child's best interests;~~

~~(ii) adoption is not in the child's best interests based on the determinations in the kinship placement agreement required under section 256N.22, subdivision 2;~~

~~(iii) the agency made efforts to discuss adoption with the child's parent or parents, or the agency did not make efforts to discuss adoption and the reasons why efforts were not made; and~~

~~(iv) there are reasons to separate siblings during placement, if applicable;~~

~~(8)~~ (e) The court may:

(1) defer finalization of an order transferring permanent legal and physical custody to a relative when deferring finalization is necessary to determine eligibility for Northstar kinship assistance under chapter 256N;

~~(9) the court may~~ (2) finalize a ~~permanent~~ transfer of permanent legal and physical ~~and legal~~ custody to a relative regardless of eligibility for Northstar kinship assistance under chapter 256N, provided that the court has reviewed the suitability of the proposed custodian, including the summary of background study results, consistent with paragraph (b); and

~~(10) the juvenile court may~~ (3) following a transfer of permanent legal and physical custody to a relative, maintain jurisdiction over the responsible social services agency, the parents or guardian of the child, the child, and the permanent legal and physical custodian for purposes of ensuring appropriate services are delivered to the child and permanent legal custodian for the purpose of ensuring conditions ordered by the court related to the care and custody of the child are met.

Sec. 40. Minnesota Statutes 2022, section 260C.607, subdivision 1, is amended to read:

Subdivision 1. **Review hearings.** (a) The court shall conduct a review of the responsible social services agency's reasonable efforts to finalize adoption for any child under the guardianship of the commissioner and of the progress of the case toward adoption at least every 90 days after the court issues an order that the commissioner is the guardian of the child.

(b) The review of progress toward adoption shall continue notwithstanding that an appeal is made of the order for guardianship or termination of parental rights.

(c) The agency's reasonable efforts to finalize the adoption must continue during the pendency of the appeal under paragraph (b) or subdivision 6, paragraph (h), and all progress toward adoption shall continue except that the court may not finalize an adoption while the appeal is pending.

Sec. 41. Minnesota Statutes 2022, section 260C.607, subdivision 6, is amended to read:

Subd. 6. **Motion and hearing to order adoptive placement.** (a) At any time after the district court orders the child under the guardianship of the commissioner of human services, but not later than 30 days after receiving notice required under section 260C.613, subdivision 1, paragraph (c), that the agency has made an adoptive placement, a relative or the child's foster parent may file a motion for an order for adoptive placement of a child who is under the guardianship of the commissioner if the relative or the child's foster parent:

(1) has an adoption home study under section 259.41 or 260C.611 approving the relative or foster parent for adoption. If the relative or foster parent does not have an adoption home study, an affidavit attesting to efforts to complete an adoption home study may be filed with the motion instead. The affidavit must be signed by the relative or foster parent and the responsible social services agency or licensed child-placing agency completing the adoption home study. The relative or foster parent must also have been a resident of Minnesota for at least six months before filing the motion; the court may waive the residency requirement for the moving party if there is a reasonable basis to do so; or

(2) is not a resident of Minnesota, but has an approved adoption home study by an agency licensed or approved to complete an adoption home study in the state of the individual's residence and the study is filed with the motion for adoptive placement. If the relative or foster parent does not have an adoption home study in the relative or foster parent's state of residence, an affidavit attesting to efforts to complete an adoption home study may be filed with the motion instead. The affidavit must be signed by the relative or foster parent and the agency completing the adoption home study.

(b) The motion ~~shall~~ must be filed with the court conducting reviews of the child's progress toward adoption under this section. The motion and supporting documents must make a prima facie showing that the agency has been unreasonable in failing to make the requested adoptive placement. The motion must be served according to the requirements for motions under the Minnesota Rules of Juvenile Protection Procedure and ~~shall~~ must be made on all individuals and entities listed in subdivision 2.

(c) If the motion and supporting documents do not make a prima facie showing for the court to determine whether the agency has been unreasonable in failing to make the requested adoptive placement, the court shall dismiss the motion. If the court determines a prima facie basis is made, the court shall set the matter for evidentiary hearing.

(d) At the evidentiary hearing, the responsible social services agency shall proceed first with evidence about the reason for not making the adoptive placement proposed by the moving party. When the agency presents evidence regarding the child's current relationship with the identified adoptive placement resource, the court must consider the agency's efforts to support the child's relationship with the moving party consistent with section 260C.221. The moving party then has the burden of proving by a preponderance of the evidence that the agency has been unreasonable in failing to make the adoptive placement.

(e) The court shall review and enter findings regarding whether the agency, in making an adoptive placement decision for the child:

(1) considered relatives for adoptive placement in the order specified under section 260C.212, subdivision 2, paragraph (a); and

(2) assessed how the identified adoptive placement resource and the moving party are each able to meet the child's current and future needs, based on an individualized determination of the child's needs, as required under sections 260C.212, subdivision 2, and 260C.613, subdivision 1, paragraph (b).

(f) At the conclusion of the evidentiary hearing, if the court finds that the agency has been unreasonable in failing to make the adoptive placement and that the moving party is the most suitable adoptive home to meet the child's needs using the factors in section 260C.212, subdivision 2, paragraph (b), the court may:

(1) order the responsible social services agency to make an adoptive placement in the home of the moving party if the moving party has an approved adoption home study; or

(2) order the responsible social services agency to place the child in the home of the moving party upon approval of an adoption home study. The agency must promote and support the child's ongoing visitation and contact with the moving party until the child is placed in the moving party's home. The agency must provide an update to the court after 90 days, including progress and any barriers encountered. If the moving party does not have an approved adoption home study within 180 days, the moving party and the agency must inform the court of any barriers to obtaining the approved adoption home study during a review hearing under this section. If the court finds that the moving party is unable to obtain an approved adoption home study, the court must dismiss the order for adoptive placement under this subdivision and order the agency to continue making reasonable efforts to finalize the adoption of the child as required under section 260C.605.

(g) If, in order to ensure that a timely adoption may occur, the court orders the responsible social services agency to make an adoptive placement under this subdivision, the agency shall:

(1) make reasonable efforts to obtain a fully executed adoption placement agreement, including assisting the moving party with the adoption home study process;

(2) work with the moving party regarding eligibility for adoption assistance as required under chapter 256N; and

(3) if the moving party is not a resident of Minnesota, timely refer the matter for approval of the adoptive placement through the Interstate Compact on the Placement of Children.

(h) Denial or granting of a motion for an order for adoptive placement after an evidentiary hearing is an order ~~which~~ that may be appealed by the responsible social services agency, the moving party, the child, when age ten or over, the child's guardian ad litem, and any individual who had a fully executed adoption placement agreement regarding the child at the time the motion was filed if the court's order has the effect of terminating the adoption placement agreement. An appeal ~~shall~~ must be conducted according to the requirements of the Rules of Juvenile Protection Procedure. Pursuant to subdivision 1, paragraph (c), the court shall not finalize an adoption while an appeal is pending.

Sec. 42. Minnesota Statutes 2022, section 260C.611, is amended to read:

260C.611 ADOPTION STUDY REQUIRED.

(a) An adoption study under section 259.41 approving placement of the child in the home of the prospective adoptive parent ~~shall~~ must be completed before placing any child under the guardianship of the commissioner in a home for adoption. If a prospective adoptive parent has a current child foster care license under chapter 245A and is seeking to adopt a foster child who is placed in the prospective adoptive parent's home and is under the guardianship of the commissioner according to section 260C.325, subdivision 1, the child foster care home study meets the requirements of this section for an approved adoption home study if:

(1) the written home study on which the foster care license was based is completed in the commissioner's designated format, consistent with the requirements in sections 259.41, subdivision 2; and 260C.215, subdivision 4, clause (5); and Minnesota Rules, part 2960.3060, subpart 4;

(2) the background studies on each prospective adoptive parent and all required household members were completed according to section 245C.33;

(3) the commissioner has not issued~~, within the last three years,~~ a sanction on the license under section 245A.07 or an order of a conditional license under section 245A.06 within the last three years, or the commissioner has determined it to be in the child's best interests to allow the child foster care home study to meet requirements of an approved adoption home study upon review of the legally responsible agency's adoptive placement decision; and

(4) the legally responsible agency determines that the individual needs of the child are being met by the prospective adoptive parent through an assessment under section 256N.24, subdivision 2, or a documented placement decision consistent with section 260C.212, subdivision 2.

(b) If a prospective adoptive parent has previously held a foster care license or adoptive home study, any update necessary to the foster care license, or updated or new adoptive home study, if not completed by the licensing authority responsible for the previous license or home study, shall include collateral information from the previous licensing or approving agency, if available.

Sec. 43. Minnesota Statutes 2022, section 260C.613, subdivision 1, is amended to read:

Subdivision 1. **Adoptive placement decisions.** (a) The responsible social services agency has exclusive authority to make an adoptive placement ~~of~~ decision for a child under the guardianship of the commissioner. The child ~~shall be considered~~ is legally placed for adoption when the adopting parent, the agency, and the commissioner have fully executed an adoption placement agreement on the form prescribed by the commissioner.

(b) The responsible social services agency shall use an individualized determination of the child's current and future needs, pursuant to section 260C.212, subdivision 2, paragraph (b), to determine the most suitable adopting parent for the child in the child's best interests. The responsible social services agency must consider adoptive placement of the child with relatives in the order specified in section 260C.212, subdivision 2, paragraph (a).

(c) The responsible social services agency shall notify the court and parties entitled to notice under section 260C.607, subdivision 2, when there is a fully executed adoption placement agreement for the child.

(d) Pursuant to section 260C.615, subdivision 1, paragraph (b), clause (4), the responsible social services agency shall immediately notify the commissioner if the agency learns of any new or previously undisclosed criminal or maltreatment information involving an adoptive placement of a child under guardianship of the commissioner.

~~(d)~~ (e) In the event a party to an adoption placement agreement terminates the agreement, the responsible social services agency shall notify the court, the parties entitled to notice under section 260C.607, subdivision 2, and the commissioner that the agreement and the adoptive placement have terminated.

Sec. 44. Minnesota Statutes 2022, section 260C.615, subdivision 1, is amended to read:

Subdivision 1. **Duties.** (a) For any child who is under the guardianship of the commissioner, the commissioner has the exclusive rights to consent to:

(1) the medical care plan for the treatment of a child who is at imminent risk of death or who has a chronic disease that, in a physician's judgment, will result in the child's death in the near future including a physician's order not to resuscitate or intubate the child; and

(2) the child donating a part of the child's body to another person while the child is living; the decision to donate a body part under this clause shall take into consideration the child's wishes and the child's culture.

(b) In addition to the exclusive rights under paragraph (a), the commissioner has a duty to:

(1) process any complete and accurate request for home study and placement through the Interstate Compact on the Placement of Children under section 260.851;

(2) process any complete and accurate application for adoption assistance forwarded by the responsible social services agency according to chapter 256N;

(3) review and process an adoption placement agreement forwarded to the commissioner by the responsible social services agency and return it to the agency in a timely fashion; ~~and~~

(4) review new or previously undisclosed information received from the agency or other individuals or entities that may impact the health, safety, or well-being of a child who is the subject of a fully executed adoption placement agreement; and

~~(4)~~ (5) maintain records as required in chapter 259.

Sec. 45. Minnesota Statutes 2022, section 260E.03, subdivision 23, as amended by Laws 2024, chapter 80, article 8, section 33, is amended to read:

Subd. 23. **Threatened injury.** (a) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

(b) Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in subdivision 17, who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm under subdivision 5 or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative or parent under section 260C.515, subdivision 4, or a similar law of another jurisdiction.

(c) A child is the subject of a report of threatened injury when the local welfare agency receives birth match data under section 260E.14, subdivision 4, from the Department of Human Services.

Sec. 46. Minnesota Statutes 2022, section 393.07, subdivision 10a, is amended to read:

Subd. 10a. **Expedited issuance of SNAP benefits.** The commissioner of human services shall continually monitor the expedited issuance of SNAP benefits to ensure that each county complies with federal regulations and that households eligible for expedited issuance of SNAP benefits are identified, processed, and certified within the time frames prescribed in federal regulations.

~~County SNAP benefits offices shall screen applicants on the day of application. Applicants who meet the federal criteria for expedited issuance and have an immediate need for food assistance shall receive within five working days the issuance of SNAP benefits.~~

~~The local SNAP agency shall conspicuously post in each SNAP office a notice of the availability of and the procedure for applying for expedited issuance and verbally advise each applicant of the availability of the expedited process.~~

Sec. 47. Minnesota Statutes 2022, section 518.17, is amended by adding a subdivision to read:

Subd. 2a. **Parents with disabilities.** (a) A court shall not deny nor restrict a parent's parenting time or custody due to the parent's disability. A party raising disability as a basis for denying or restricting parenting time has the burden to prove by clear and convincing evidence that a parent's specific behaviors during parenting time would endanger the health or safety of the child. If the party meets the burden, a parent with a disability shall have the opportunity to demonstrate how implementing supportive services can alleviate any concerns. The court may require a parent with a disability to use supportive parenting services to facilitate parenting time.

(b) If a court denies or limits the right of a parent with a disability to custody of a child or visitation with a child, the court shall make specific written findings stating the basis for the denial or limitation and why providing supportive parenting services is not a reasonable accommodation that could prevent denying or limiting the parent's custody or parenting time.

(c) For purposes of this subdivision, "disability" and "supportive parenting services" have the meanings given in section 260C.141, subdivision 1a.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to pleadings and motions pending on or after that date.

ARTICLE 19
DEPARTMENT OF HUMAN SERVICES POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 4, as amended by Laws 2024, chapter 80, article 8, section 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, certification holders, and former licensees are public: name, address, telephone number of licensees, email addresses except for family child foster care, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services; the commissioner of children, youth, and families; the local social services agency; or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) Except as provided in item (v), when a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the general nature of the complaint or allegations leading to the temporary immediate suspension; the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence of settlement negotiations; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity of the applicant, license holder, or controlling individual as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is disqualified under chapter 245C, the identity of the license holder, applicant, or controlling individual as the disqualified individual is public data at the time of the issuance of the licensing sanction or denial. If the applicant, license holder, or controlling individual requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are private data.

(v) A correction order or fine issued to a child care provider for a licensing violation is private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

(2) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(3) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the existence of settlement negotiations, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(4) When maltreatment is substantiated under section 626.557 or chapter 260E and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 142B or 245A; the commissioner of human services; commissioner of children, youth, and families; local social services agency; or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(5) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment under section 626.557 and chapter 260E, are confidential data and may be disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 260E.03, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35, subdivision 6, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.557 or chapter 260E may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 142B, 245A, and 245C, data on individuals collected by the commissioner of human services according to investigations under section 626.557 and chapters 142B, 245A, 245B, 245C, 245D, and 260E may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services or children, youth, and families is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under sections 260E.24, subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the commissioner of children, youth, and families or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 260E.03, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

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

Sec. 2. **[142C.18] CHILDREN'S RECORDS.**

(a) A certification holder must maintain a record for each child enrolled in the certification holder's program. The record must contain:

(1) the child's full name, birth date, and home address;

(2) the name and telephone number of the child's parents or legal guardians;

(3) the name and telephone number of at least one emergency contact person other than the child's parents who can be reached in an emergency or when there is an injury requiring medical attention and who is authorized to pick up the child; and

(4) the names and telephone numbers of any additional persons authorized by the parents or legal guardians to pick up the child from the center.

(b) The certification holder must maintain in the child's record and ensure that during all hours of operation staff can access the following information:

(1) immunization information as required under section 121A.15 and Minnesota Rules, chapter 4604;

(2) medication administration documentation as required under section 142C.11, subdivision 3; and

(3) documentation of any known allergy as required under section 142C.11, subdivision 4.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 245A.02, subdivision 2c, is amended to read:

Subd. 2c. **Annual or annually; family child care and family child foster care.** For the purposes of family child care under sections 245A.50 to 245A.53 and family child foster care training, "annual" or "annually" means each calendar year.

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

Sec. 4. Minnesota Statutes 2022, section 245A.04, subdivision 10, is amended to read:

Subd. 10. **Adoption agency; additional requirements.** In addition to the other requirements of this section, an individual or organization applying for a license to place children for adoption must:

(1) incorporate as a nonprofit corporation under chapter 317A;

(2) file with the application for licensure a copy of the disclosure form required under section 259.37, subdivision 2;

(3) provide evidence that a bond has been obtained and will be continuously maintained throughout the entire operating period of the agency, to cover the cost of transfer of records to and storage of records by the agency which has agreed, according to rule established by the commissioner, to receive the applicant agency's records if the applicant agency voluntarily or involuntarily ceases operation and fails to provide for proper transfer of the records. The bond must be made in favor of the agency which has agreed to receive the records; and

(4) submit a ~~certified audit~~ financial review completed by an accountant to the commissioner each year the license is renewed as required under section 245A.03, subdivision 1.

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

Sec. 5. Minnesota Statutes 2022, section 245A.14, subdivision 17, is amended to read:

Subd. 17. **Reusable water bottles or cups.** Notwithstanding any law to the contrary, a licensed child care center may provide drinking water to a child in a reusable water bottle or reusable cup if the center develops and ensures implementation of a written policy that at a minimum includes the following procedures:

(1) each day the water bottle or cup is used, the child care center cleans and sanitizes the water bottle or cup using procedures that comply with the Food Code under Minnesota Rules, chapter 4626, or allows the child's parent or legal guardian to bring the water bottle or cup home to be cleaned and sanitized each day the water bottle or cup is used;

(2) a water bottle or cup is assigned to a specific child and labeled with the child's first and last name;

(3) water bottles and cups are stored in a manner that reduces the risk of a child using the wrong water bottle or cup; and

(4) a water bottle or cup is used only for water.

Sec. 6. Minnesota Statutes 2023 Supplement, section 245A.16, subdivision 11, is amended to read:

Subd. 11. **Electronic checklist use ~~by family child care licensors.~~** County and private agency staff who perform ~~family child care~~ delegated licensing functions must use the commissioner's electronic licensing checklist in the manner prescribed by the commissioner.

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

Sec. 7. Minnesota Statutes 2022, section 245A.52, subdivision 2, is amended to read:

Subd. 2. **Door to attached garage.** ~~Notwithstanding Minnesota Rules, part 9502.0425, subpart 5, day care residences with an attached garage are not required to have a self-closing door to the residence. The door to the residence may be~~ (a) If there is an opening between an attached garage and a day care residence, there must be a door that is:

(1) a solid wood bonded-core door at least 1-3/8 inches thick;

(2) a steel insulated door ~~if the door is~~ at least 1-3/8 inches thick~~.~~; or

(3) a door with a fire protection rating of 20 minutes.

(b) The separation wall on the garage side between the residence and garage must consist of 1/2-inch-thick gypsum wallboard or its equivalent.

Sec. 8. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision to read:

Subd. 8. **Stairways.** (a) All stairways must meet the requirements in this subdivision.

(b) Stairways of four or more steps must have handrails on at least one side.

(c) Any open area between the handrail and stair tread must be enclosed with a protective guardrail as specified in the State Building Code. At open risers, openings located more than 30 inches or 762 millimeters as measured vertically to the floor or grade below must not permit the passage of a sphere four inches or 102 millimeters in diameter.

(d) Gates or barriers must be used when children aged six to 18 months are in care.

(e) Stairways must be well lit, in good repair, and free of clutter and obstructions.

Sec. 9. Minnesota Statutes 2022, section 245A.66, subdivision 2, is amended to read:

Subd. 2. **Child care centers; risk reduction plan.** (a) Child care centers licensed under this chapter and Minnesota Rules, chapter 9503, must develop a risk reduction plan that identifies the general risks to children served by the child care center. The license holder must establish procedures to minimize identified risks, train staff on the procedures, and annually review the procedures.

(b) The risk reduction plan must include an assessment of risk to children the center serves or intends to serve and identify specific risks based on the outcome of the assessment. The assessment of risk must be based on the following:

(1) an assessment of the risks presented by the physical plant where the licensed services are provided, including an evaluation of the following factors: the condition and design of the facility and its outdoor space, bathrooms, storage areas, and accessibility of medications and cleaning products that are harmful to children when children are not supervised and the existence of areas that are difficult to supervise; and

(2) an assessment of the risks presented by the environment for each facility and for each site, including an evaluation of the following factors: the type of grounds and terrain surrounding the building and the proximity to hazards, busy roads, and publicly accessed businesses.

(c) The risk reduction plan must include a statement of measures that will be taken to minimize the risk of harm presented to children for each risk identified in the assessment required under paragraph (b) related to the physical plant and environment. At a minimum, the stated measures must include the development and implementation of specific policies and procedures or reference to existing policies and procedures that minimize the risks identified.

(d) In addition to any program-specific risks identified in paragraph (b), the plan must include development and implementation of specific policies and procedures or refer to existing policies and procedures that minimize the risk of harm or injury to children, including:

(1) closing children's fingers in doors, including cabinet doors;

(2) leaving children in the community without supervision;

(3) children leaving the facility without supervision;

(4) caregiver dislocation of children's elbows;

(5) burns from hot food or beverages, whether served to children or being consumed by caregivers, and the devices used to warm food and beverages;

(6) injuries from equipment, such as scissors and glue guns;

(7) sunburn;

(8) feeding children foods to which they are allergic;

(9) children falling from changing tables; and

(10) children accessing dangerous items or chemicals or coming into contact with residue from harmful cleaning products.

(e) The plan shall prohibit the accessibility of hazardous items to children.

(f) The plan must include specific policies and procedures to ensure adequate supervision of children at all times as defined under section 245A.02, subdivision 18, with particular emphasis on:

(1) times when children are transitioned from one area within the facility to another;

(2) nap-time supervision, including infant crib rooms as specified under section 245A.02, subdivision 18, which requires that when an infant is placed in a crib to sleep, supervision occurs when a staff person is within sight or hearing of the infant. When supervision of a crib room is provided by sight or hearing, the center must have a plan to address the other supervision components;

(3) child drop-off and pick-up times;

(4) supervision during outdoor play and on community activities, including but not limited to field trips and neighborhood walks;

(5) supervision of children in hallways; ~~and~~

(6) supervision of school-age children when using the restroom and visiting the child's personal storage space~~.~~; and

(7) supervision of preschool children when using an individual, private restroom within the classroom.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 245C.02, subdivision 6a, is amended to read:

Subd. 6a. **Child care background study subject.** (a) "Child care background study subject" means an individual who is affiliated with a licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B, and who is:

(1) employed by a child care provider for compensation;

(2) assisting in the care of a child for a child care provider;

(3) a person applying for licensure, certification, or enrollment;

(4) a controlling individual as defined in section 245A.02, subdivision 5a;

(5) an individual 13 years of age or older who lives in the household where the licensed program will be provided and who is not receiving licensed services from the program;

(6) an individual ten to 12 years of age who lives in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(7) an individual who, without providing direct contact services at a licensed program, certified program, or program authorized under chapter 119B, may have unsupervised access to a child receiving services from a program when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15; ~~or~~

(8) a volunteer, contractor providing services for hire in the program, prospective employee, or other individual who has unsupervised physical access to a child served by a program and who is not under supervision by an individual listed in clause (1) or (5), regardless of whether the individual provides program services.; or

(9) an authorized agent in a license-exempt certified child care center as defined in section 142C.01, subdivision 3.

(b) Notwithstanding paragraph (a), an individual who is providing services that are not part of the child care program is not required to have a background study if:

(1) the child receiving services is signed out of the child care program for the duration that the services are provided;

(2) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B has obtained advanced written permission from the parent authorizing the child to receive the services, which is maintained in the child's record;

(3) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B maintains documentation on site that identifies the individual service provider and the services being provided; and

(4) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B ensures that the service provider does not have unsupervised access to a child not receiving the provider's services.

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 245C.033, subdivision 3, is amended to read:

Subd. 3. **Procedure; maltreatment and state licensing agency data.** (a) For requests paid directly by the guardian or conservator, requests for maltreatment and state licensing agency data checks must be submitted by the guardian or conservator to the commissioner on the form or in the manner prescribed by the commissioner. Upon receipt of a signed informed consent and payment under section 245C.10, the commissioner shall complete the maltreatment and state licensing agency checks. Upon completion of the checks, the commissioner shall provide the requested information to the courts on the form or in the manner prescribed by the commissioner.

(b) For requests paid by the court based on the in forma pauperis status of the guardian or conservator, requests for maltreatment and state licensing agency data checks must be submitted by the court to the commissioner on the form or in the manner prescribed by the commissioner. The form will serve as certification that the individual has been granted in forma pauperis status. Upon receipt of a signed data request consent form from the court, the commissioner shall initiate the maltreatment and state licensing agency checks. Upon completion of the checks, the commissioner shall provide the requested information to the courts on the form or in the manner prescribed by the commissioner.

Sec. 12. Minnesota Statutes 2022, section 245C.08, subdivision 4, is amended to read:

Subd. 4. **Juvenile court records.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review records from the juvenile courts for an individual studied under ~~section 245C.03, subdivision 1, paragraph (a),~~ this chapter when the commissioner has reasonable cause.

~~(b) For a background study conducted by a county agency for family child care before the implementation of NETStudy 2.0, the commissioner shall review records from the juvenile courts for individuals listed in section 245C.03, subdivision 1, who are ages 13 through 23 living in the household where the licensed services will be provided. The commissioner shall also review records from juvenile courts for any other individual listed under section 245C.03, subdivision 1, when the commissioner has reasonable cause.~~

~~(c)~~ (b) The juvenile courts shall help with the study by giving the commissioner existing juvenile court records relating to delinquency proceedings held on individuals ~~described in section 245C.03, subdivision 1, paragraph (a),~~ who are subjects of studies under this chapter when requested pursuant to this subdivision.

~~(d)~~ (c) For purposes of this chapter, a finding that a delinquency petition is proven in juvenile court shall be considered a conviction in state district court.

~~(e)~~ (d) Juvenile courts shall provide orders of involuntary and voluntary termination of parental rights under section 260C.301 to the commissioner upon request for purposes of conducting a background study under this chapter.

Sec. 13. Minnesota Statutes 2023 Supplement, section 245C.10, subdivision 15, is amended to read:

Subd. 15. **Guardians and conservators.** (a) The commissioner shall recover the cost of conducting maltreatment and state licensing agency checks for guardians and conservators under section 245C.033 through a fee of no more than $50. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting maltreatment and state licensing agency checks.

(b) The fee must be paid directly to and in the manner prescribed by the commissioner before any maltreatment and state licensing agency checks under section 245C.033 may be conducted.

(c) Notwithstanding paragraph (b), the court shall pay the fee for an applicant who has been granted in forma pauperis status upon receipt of the invoice from the commissioner.

Sec. 14. Minnesota Statutes 2022, section 245E.08, is amended to read:

245E.08 REPORTING OF SUSPECTED FRAUDULENT ACTIVITY.

(a) A person who, in good faith, makes a report of or testifies in any action or proceeding in which financial misconduct is alleged, and who is not involved in, has not participated in, or has not aided and abetted, conspired, or colluded in the financial misconduct, shall have immunity from any liability, civil or criminal, that results by reason of the person's report or testimony. For the purpose of any proceeding, the good faith of any person reporting or testifying under this provision shall be presumed.

(b) If a person that is or has been involved in, participated in, aided and abetted, conspired, or colluded in the financial misconduct reports the financial misconduct, the department may consider that person's report and assistance in investigating the misconduct as a mitigating factor in the department's pursuit of civil, criminal, or administrative remedies.

(c) After an investigation is complete, the reporter's name must be kept confidential. The subject of the report may compel disclosure of the reporter's name only with the consent of the reporter or upon a written finding by a district court that the report was false and there is evidence that the report was made in bad faith. This paragraph does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that when the identity of the reporter is relevant to a criminal prosecution the district court shall conduct an in-camera review before determining whether to order disclosure of the reporter's identity.

Sec. 15. Minnesota Statutes 2022, section 245H.01, is amended by adding a subdivision to read:

Subd. 6a. **Infant.** "Infant" means a child who is at least six weeks old but less than 16 months old.

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

Sec. 16. Minnesota Statutes 2022, section 245H.01, is amended by adding a subdivision to read:

Subd. 6b. **Preschooler.** "Preschooler" means a child who is at least 33 months old but who has not yet attended the first day of kindergarten.

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

Sec. 17. Minnesota Statutes 2022, section 245H.01, is amended by adding a subdivision to read:

Subd. 6c. **School-age child.** "School-age child" means a child who is of sufficient age to have attended the first day of kindergarten or is eligible to enter kindergarten within four months and who:

(1) is no more than 13 years old;

(2) is 14 years old and has a disability and is eligible for child care assistance under chapter 142E;

(3) is eligible for child care assistance until redetermination under section 142E.10, subdivision 1, paragraph (e); or

(4) attends a certified center that serves only school-age children in a setting that has no students enrolled in a grade higher than 8th grade.

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

Sec. 18. Minnesota Statutes 2022, section 245H.01, is amended by adding a subdivision to read:

Subd. 8a. **Toddler.** "Toddler" means a child who is at least 16 months old but less than 33 months old.

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

Sec. 19. Minnesota Statutes 2023 Supplement, section 245H.06, subdivision 1, is amended to read:

Subdivision 1. **Correction order and conditional certification requirements.** (a) If the applicant or certification holder ~~failed~~ fails to comply with a law or rule, the commissioner may issue a correction order. The correction order must state:

(1) the condition that constitutes a violation of the law or rule;

(2) the specific law or rule violated; and

(3) the time allowed to correct each violation.

(b) ~~The commissioner may issue a correction order to the applicant or certification holder through the provider licensing and reporting hub.~~ If the applicant or certification holder fails to comply with a law or rule, the commissioner may issue a conditional certification. When issuing a conditional certification, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The conditional order must state:

(1) the conditions that constitute a violation of the law or rule;

(2) the specific law or rule violated;

(3) the time allowed to correct each violation; and

(4) the length and terms of the conditional certification, and the reasons for making the certification conditional.

(c) Nothing in this section prohibits the commissioner from decertifying a center under section 142C.07 before issuing a correction order or conditional certification.

(d) The commissioner may issue a correction order or conditional certification to the applicant or certification holder through the provider licensing and reporting hub.

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

Sec. 20. Minnesota Statutes 2023 Supplement, section 245H.06, subdivision 2, is amended to read:

Subd. 2. **Reconsideration request.** (a) If the applicant or certification holder believes that the commissioner's correction order or conditional certification is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order or conditional certification that is allegedly erroneous. A request for reconsideration must be made in writing and postmarked or submitted through the provider licensing and reporting hub and sent to the commissioner within 20 calendar days after the applicant or certification holder received the correction order or conditional certification, and must:

(1) specify the part of the correction order or conditional certification that is allegedly erroneous;

(2) explain why the specified part is erroneous; and

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

(b) A request for reconsideration of a correction order does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(c) A timely request for reconsideration of a conditional certification shall stay imposition of the terms of the conditional certification until the commissioner issues a decision on the request for reconsideration.

~~(c)~~ (d) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 21. Minnesota Statutes 2022, section 245H.08, subdivision 1, is amended to read:

Subdivision 1. **Staffing requirements.** (a) Except as provided in paragraph (b), during hours of operation, a certified center must have a director ~~or designee~~ on site who is responsible for overseeing implementation of written policies relating to the management and control of the daily activities of the program, ensuring the health and safety of program participants, and supervising staff and volunteers.

(b) When the director is absent, a certified center must designate a staff person who is at least 18 years old to fulfill the director's responsibilities under this subdivision to ensure continuity of program oversight. The designee does not have to meet the director qualifications in subdivision 2 but must be aware of their designation and responsibilities under this subdivision.

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 245H.08, subdivision 4, is amended to read:

Subd. 4. **Maximum group size.** (a) For ~~a child six weeks old through 16 months old~~ an infant, the maximum group size ~~shall be no more than~~ is eight children.

(b) For a ~~child 16 months old through 33 months old~~ toddler, the maximum group size ~~shall be no more than~~ is 14 children.

(c) For a ~~child 33 months old through prekindergarten~~ preschooler, ~~a~~ the maximum group size ~~shall be no more than~~ is 20 children.

(d) For a ~~child in kindergarten through 13 years old~~ school-age child, ~~a~~ the maximum group size ~~shall be no more than~~ is 30 children.

(e) The maximum group size applies at all times except during group activity coordination time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and special activity including a film, guest speaker, indoor large muscle activity, or holiday program.

~~(f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:~~

~~(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or~~

~~(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.~~

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

Sec. 23. Minnesota Statutes 2023 Supplement, section 245H.08, subdivision 5, is amended to read:

Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

~~six weeks old through 16 months old~~ infants	1:4
~~16 months old through 33 months old~~ toddlers	1:7
~~33 months old through prekindergarten~~ preschoolers	1:10
~~kindergarten through 13 years old~~ school-age children	1:15

~~(b) Kindergarten includes a child of sufficient age to have attended the first day of kindergarten or who is eligible to enter kindergarten within the next four months.~~

~~(c)~~ (b) For ~~mixed~~ mixed-age groups, the ratio for the age group of the youngest child applies.

~~(d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:~~

~~(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or~~

~~(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.~~

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

Sec. 24. Minnesota Statutes 2022, section 245H.14, subdivision 1, is amended to read:

Subdivision 1. **First aid and cardiopulmonary resuscitation.** (a) Before having unsupervised direct contact with a child, but within ~~the first~~ 90 days ~~of employment for~~ after the first date of direct contact with a child, the director ~~and~~, all staff persons, ~~and within 90 days after the first date of direct contact with a child for~~ substitutes, and unsupervised volunteers~~, each person~~ must successfully complete pediatric first aid and pediatric cardiopulmonary resuscitation (CPR) training, unless the training has been completed within the previous two calendar years. Staff must complete the pediatric first aid and pediatric CPR training at least every other calendar year and the center must document the training in the staff person's personnel record.

(b) Training completed under this subdivision may be used to meet the in-service training requirements under subdivision 6.

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

Sec. 25. Minnesota Statutes 2022, section 245H.14, subdivision 4, is amended to read:

Subd. 4. **Child development.** ~~The certified center must ensure that the director and all staff persons complete child development and learning training within 90 days of employment and every second calendar year thereafter. Substitutes and unsupervised volunteers must complete child development and learning training within 90 days after the first date of direct contact with a child and every second calendar year thereafter.~~ Before having unsupervised direct contact with a child, but within 90 days after the first date of direct contact with a child, the director, all staff persons, substitutes, and unsupervised volunteers must complete child development and learning training. Child development and learning training must be repeated every second calendar year thereafter. The director and staff persons not including substitutes must complete at least two hours of training on child development. The training for substitutes and unsupervised volunteers is not required to be of a minimum length. For purposes of this subdivision, "child development and learning training" means how a child develops physically, cognitively, emotionally, and socially and learns as part of the child's family, culture, and community.

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

Sec. 26. Minnesota Statutes 2022, section 260E.30, subdivision 3, as amended by Laws 2024, chapter 80, article 8, section 41, is amended to read:

Subd. 3. **Nonmaltreatment mistake.** (a) If paragraph (b) applies, rather than making a determination of substantiated maltreatment by the individual, the commissioner of children, youth, and families shall determine that the individual made a nonmaltreatment mistake.

(b) A nonmaltreatment mistake occurs when:

~~(1) at the time of the incident, the individual was performing duties identified in the facility's child care program plan required under Minnesota Rules, part 9503.0045;~~

~~(2)~~ (1) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years;

~~(3)~~ (2) the individual has not been determined to have committed a similar nonmaltreatment mistake under this paragraph for at least four years;

~~(4)~~ (3) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; ~~and~~

~~(5)~~ (4) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing and certification requirements relevant to the incident~~.~~; and

(5) at the time of the incident, the individual was performing duties identified in the licensed center's child care program plan required under Minnesota Rules, part 9503.0045. This clause applies only to child care centers licensed under Minnesota Rules, chapter 9503.

(c) This subdivision only applies to child care centers certified under chapter 142C and licensed under Minnesota Rules, chapter 9503.

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

Sec. 27. Laws 2024, chapter 80, article 2, section 5, is amended by adding a subdivision to read:

Subd. 23. **Family child foster care annual program evaluation.** Upon implementation of a continuous license process for family child foster care, the annual program evaluation required under Minnesota Rules, part 2960.3100, subpart 1, item G, must be conducted utilizing the electronic licensing inspection checklist information and the provider licensing and reporting hub in a manner prescribed by the commissioner.

Sec. 28. Laws 2024, chapter 80, article 2, section 16, is amended by adding a subdivision to read:

Subd. 9. **Licensed child-placing agency personnel requirements.** (a) A licensed child-placing agency must have an individual designated on staff or contract who supervises the agency's casework. Supervising an agency's casework includes but is not limited to:

(1) reviewing and approving each written home study the agency completes on prospective foster parents or applicants to adopt;

(2) ensuring ongoing compliance with licensing requirements; and

(3) overseeing staff and ensuring they have the training and resources needed to perform their responsibilities.

(b) The individual who supervises the agency's casework must meet at least one of the following qualifications:

(1) is a licensed social worker, licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker;

(2) is a trained culturally competent professional with experience in a relevant field; or

(3) is a licensed clinician with experience in a related field, including a clinician licensed by a health-related licensing board under section 214.01, subdivision 2.

(c) The commissioner may grant a variance under section 142B.10, subdivision 16, to the requirements in this section.

Sec. 29. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FAMILY CHILD FOSTER CARE CONTINUOUS LICENSES.**

The commissioner of human services, and upon transfer of responsibility for family child foster care licensing the commissioner of children, youth, and families, shall develop a continuous license process for family child foster care licenses. The continuous license process shall be incorporated into the development of the electronic licensing inspection checklist information and provider licensing and reporting hub for family child foster care.

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

Sec. 30. **REPEALER.**

Minnesota Rules, parts 9502.0425, subparts 5 and 10; and 9545.0805, subpart 1, are repealed.

ARTICLE 20
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 16A.103, is amended by adding a subdivision to read:

Subd. 1j. **Federal reimbursement for administrative costs.** In preparing the forecast of state revenues and expenditures under subdivision 1, the commissioner must include estimates of the amount of federal reimbursement for administrative costs for the Department of Human Services and the Department of Children, Youth, and Families in the forecast as an expenditure reduction. The amount included under this subdivision must conform with generally accepted accounting principles.

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

Sec. 2. Laws 2023, chapter 70, article 11, section 13, subdivision 8, is amended to read:

Subd. 8. **Expiration.** This section expires June 30, ~~2027~~ 2028.

ARTICLE 21
HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES FORECAST ADJUSTMENTS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2023, chapter 61, article 9, and Laws 2023, chapter 70, article 20, to the commissioner of human services from the general fund or other named fund for the purposes specified in section 2

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.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**		
Subdivision 1. **Total Appropriation**	**$137,604,000**	**$329,432,000**
Appropriations by Fund		
General Fund	139,746,000	325,606,000
Health Care Access Fund	10,542,000	6,224,000
Federal TANF	(12,684,000)	(2,398,000)
Subd. 2. **Forecasted Programs**		
(a) **MFIP/DWP**		
Appropriations by Fund		
General Fund	(5,990,000)	(2,793,000)
Federal TANF	(12,684,000)	(2,398,000)
(b) **MFIP Child Care Assistance**	(36,726,000)	(26,004,000)
(c) **General Assistance**	(567,000)	292,000
(d) **Minnesota Supplemental Aid**	1,424,000	1,500,000
(e) **Housing Support**	11,200,000	14,667,000
(f) **Northstar Care for Children**	(3,697,000)	(11,309,000)
(g) **MinnesotaCare**	10,542,000	6,224,000
These appropriations are from the health care access fund.		
(h) **Medical Assistance**	180,321,000	352,357,000
(i) **Behavioral Health Fund**	(6,219,000)	(3,104,000)

Sec. 3. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 22
CHILDREN AND FAMILIES APPROPRIATIONS

Section 1. **HUMAN SERVICES 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 61, article 9; Laws 2023, chapter 70, article 20; and Laws 2023, chapter 74, section 6, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or other 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. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2023, chapter 61, article 9; Laws 2023, chapter 70, article 20; and Laws 2023, chapter 74, section 6. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2024, are effective the day following final enactment unless a different effective date is explicit.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**		
Subdivision 1. **Total Appropriation**	**$1,615,000**	**$30,348,000**

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

Subd. 2. **Central Office; Operations**

Appropriations by Fund		
General	2,369,000	9,896,000
Federal TANF	(990,000)	(1,094,000)

(a) **Social Services Information System (SSIS).** $9,657,000 in fiscal year 2025 is for information technology improvements to the SSIS. The appropriation must be used to develop and implement a modernization plan for SSIS that addresses priorities established through collaborative planning with counties and Tribal Nations that use SSIS. Priorities must take into consideration available funding and have a direct impact on child welfare casework. The appropriation must not be used for changes to SSIS that are not part of the modernization plan or for other Department of Human Services information technology systems. This is a onetime appropriation.

(b) **Base Level Adjustment.** The general fund base is increased by $4,413,000 in fiscal year 2026 and increased by $4,413,000 in fiscal year 2027. The federal TANF fund base is decreased by $1,094,000 in fiscal year 2026 and decreased by $1,094,000 in fiscal year 2027.

Subd. 3. **Central Office; Children and Families**

	Appropriations by Fund	
General	2,598,000	6,217,000
Federal TANF	990,000	1,094,000

(a) **Child Maltreatment Reporting Review.** $200,000 in fiscal year 2025 is to conduct a review of child maltreatment reporting processes and systems in various states, evaluate the costs and benefits of each reviewed state's system, and submit a report to the legislature with recommendations. This is a onetime appropriation.

(b) **Pregnant and Parenting Homeless Youth Study.** $150,000 in fiscal year 2025 is from the general fund for a contract with the Wilder Foundation to study the statewide numbers and unique needs of pregnant and parenting youth experiencing homelessness and best practices in supporting those youth within programming, emergency shelter, and housing settings. This is a onetime appropriation and is available until June 30, 2026.

(c) **Emergency Shelter Needs Analysis for Transgender Adults Experiencing Homelessness.** Notwithstanding section 12, $150,000 in fiscal year 2025 is for a contract with Propel Nonprofits to conduct a needs analysis and a site analysis for emergency shelter serving transgender adults experiencing homelessness. This is a onetime appropriation and is available until June 30, 2026.

(d) **Base Level Adjustment.** The general fund base is increased by $5,208,000 in fiscal year 2026 and increased by $5,208,000 in fiscal year 2027. The federal TANF fund base is increased by $1,094,000 in fiscal year 2026 and increased by $1,094,000 in fiscal year 2027.

Subd. 4. **Central Office; Health Care** (3,216,000) 3,216,000

Subd. 5. **Central Office; Behavioral Health, Deaf and Hard-of-Hearing, and Housing Services** (136,000) 136,000

Extended Availability. $136,000 of the general fund appropriation in fiscal year 2025 is available until June 30, 2027.

Subd. 6. **Grant Programs; Child Care Development Grants**

Professional Development for Child Care Provider Associate Credential Coursework. The commissioner must allocate $500,000 in fiscal year 2025 from the federal child care and development block grant for distribution to child care resource and referral programs to coordinate professional development

opportunities for child care providers under Minnesota Statutes, section 119B.19, subdivision 7, clause (5), for training related to obtaining a child development associate credential. This is a onetime allocation and is available through June 30, 2027.

Subd. 7. **Grant Programs; Children's Services Grants**	-0-	550,000

Supporting Relative Caregiver Grants. $550,000 in fiscal year 2025 is for the supporting relative caregiver grant program. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

Subd. 8. **Grant Programs; Children and Community Support Grants**	-0-	(2,704,000)

This is a onetime reduction.

Subd. 9. **Grant Programs; Children and Economic Support Grants**	-0-	10,019,000

(a) **American Indian Food Sovereignty Funding Program.** $1,000,000 in fiscal year 2025 is for the American Indian food sovereignty funding program under Minnesota Statutes, section 256E.342. This is a onetime appropriation and is available until June 30, 2026. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

(b) **Minnesota Food Bank Program.** $2,392,000 in fiscal year 2025 is for Minnesota's regional food banks that the commissioner contracts with for the purposes of the emergency food assistance program (TEFAP). The commissioner shall distribute funding under this paragraph in accordance with the federal TEFAP formula and guidelines of the United States Department of Agriculture. Funding must be used by all regional food banks to purchase food that will be distributed free of charge to TEFAP partner agencies. Funding must also cover the handling and delivery fees typically paid by food shelves to food banks to ensure that costs associated with funding under this paragraph are not incurred at the local level. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

(c) **Minnesota Food Shelf Program.** $2,000,000 in fiscal year 2025 is for the Minnesota food shelf program under Minnesota Statutes, section 256E.34. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

(d) **Child Care Improvement Grants.** $1,125,000 in fiscal year 2025 is for the child care improvement grant program under Minnesota Statutes, section 119B.25, subdivision 3, paragraph (a), clause (7). Of this appropriation, up to $300,000 may be used for program costs, including but not limited to conducting outreach to and engaging with potential grantees, providing technical assistance for applicants, reviewing applications and processing grant awards, and administering compliance audits and related program integrity activities. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

(e) **Emergency Services Program.** $3,391,000 in fiscal year 2025 is for emergency services grants under Minnesota Statutes, section 256E.36. The commissioner must distribute grants under this paragraph to entities that received an emergency services grant award for fiscal years 2024 and 2025 and have emerging, critical, and immediate homelessness response needs that have arisen since receiving the award, including: (1) the need to support overnight emergency shelter capacity or daytime service capacity that has a demonstrated and significant increase in the number of persons served in fiscal year 2024 compared to fiscal year 2023; and (2) the need to maintain existing overnight emergency shelter bed capacity or daytime service capacity that has a demonstrated and significant risk of closure before April 30, 2025. This is a onetime appropriation and is available until June 30, 2027. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

(f) **Base Level Adjustment.** The general fund base is decreased by $2,593,000 in fiscal year 2026 and decreased by $2,593,000 in fiscal year 2027.

Subd. 10. **Grant Programs; Fraud Prevention Grants**	-0-	3,018,000

Base Level Adjustment. The general fund base is increased by $3,018,000 in fiscal year 2026 and $3,018,000 in fiscal year 2027.

Sec. 3. **COMMISSIONER OF EDUCATION**	**$1,882,000**	**$1,715,000**

(a) **Summer EBT.** $1,882,000 in fiscal year 2024 and $1,542,000 in fiscal year 2025 are for administration of the summer electronic benefits transfer program under Public Law 117-328. The base for this appropriation is $572,000 in fiscal year 2026 and $572,000 in fiscal year 2027.

(b) **Operating Adjustment for Department of Children, Youth, and Families Transition.** $173,000 in fiscal year 2025 is to maintain current levels of service after the transition of staff and resources to the Department of Children, Youth, and Families. The base for this appropriation is $345,000 in fiscal year 2026 and $345,000 in fiscal year 2027.

(c) **Base Level Adjustment.** The general fund base is increased by $917,000 in fiscal year 2026 and increased by $917,000 in fiscal year 2027.

Sec. 4. **COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES** **$-0-** **$3,279,000**

Base Level Adjustment. The general fund base is increased by $7,183,000 in fiscal year 2026 and increased by $6,833,000 in fiscal year 2027.

Sec. 5. **OFFICE OF THE OMBUDSPERSON FOR FAMILY CHILD CARE PROVIDERS**

Child Care and Development Block Grant Allocation. The commissioner of human services must allocate $350,000 in fiscal year 2025, and each fiscal year thereafter from the child care and development block grant to the Ombudsperson for Family Child Care Providers under Minnesota Statutes, section 245.975.

Sec. 6. **SUPREME COURT** **$-0-** **$1,000,000**

Supreme Court Council on Child Protection. $1,000,000 in fiscal year 2025 is for the establishment and administration of the Supreme Court Council on Child Protection. This is a onetime appropriation and is available until June 30, 2026.

Sec. 7. Laws 1987, chapter 404, section 18, subdivision 1, is amended to read:

Subdivision 1. Total

Appropriation	8,009,500	7,585,900
Approved Complement - 124		
General -	124	124
Rural Finance -	0	2

The amounts that may be spent from this appropriation for each activity are specified below.

$141,000 the first year to cover costs associated with modifying the state's personnel/payroll systems. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

~~The department of finance shall reflect the reimbursement of statewide indirect costs and human services federal reimbursement costs as expenditure reductions in the general fund budgeted fund balance as they would be reported in conformity with generally accepted accounting principles.~~

Amounts paid to the department of finance pursuant to Minnesota Statutes, section 13.03, subdivision 3, for the costs of searching for and retrieving government data and for making, certifying and compiling the copies of the data, are appropriated to the department of finance to be added to the appropriations from which the costs were paid.

The governor's budget recommendations submitted to the legislature in January, 1989 must include as general fund revenue and appropriations for fiscal years 1990 and 1991 all revenues and expenditures previously accounted for in the statewide accounting system in other operating funds. This requirement does not apply (1) to revenues and expenditures which, under the constitution, must be accounted for in funds other than the general fund; or (2) to revenues and expenditures which are related to specific user fees that provide a primary benefit to individual fee payers, as opposed to the general community.

Notwithstanding the provision of Minnesota Statutes, section 16A.11, the commissioner of finance shall consult with and seek the recommendations of the chair of the House Appropriations committee and the chair of the Senate Finance committee as well as their respective division and subcommittee chairs prior to adopting a format for the 1989-1991 biennial budget document. The commissioner of finance shall not adopt a format for the 1989-1991 biennial budget until the commissioner has received the recommendations of the chair of the house appropriations committee and the chair of the senate finance committee. Appropriations provided to the department of finance to upgrade the current biennial budget system shall only be expended upon receipt of the recommendations of the chair of the house appropriations committee and the chair of the senate finance committee. These recommendations are advisory only.

Sec. 8. Laws 2023, chapter 70, article 20, section 2, subdivision 22, is amended to read:

Subd. 22. **Grant Programs; Children's Services Grants**

	Appropriations by Fund	
General	86,212,000	85,063,000
Federal TANF	140,000	140,000

(a) **Title IV-E Adoption Assistance.** The commissioner shall allocate funds from the state's savings from the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance as required in Minnesota Statutes, section 256N.261, and as allowable under federal law. Additional savings to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance is for postadoption, foster care, adoption, and kinship services, including a parent-to-parent support network and as allowable under federal law.

(b) **Mille Lacs Band of Ojibwe American Indian child welfare initiative.** $3,337,000 in fiscal year 2024 and $5,294,000 in fiscal year 2025 are from the general fund for the Mille Lacs Band of Ojibwe to join the American Indian child welfare initiative. The base for this appropriation is $7,893,000 in fiscal year 2026 and $7,893,000 in fiscal year 2027.

(c) **Leech Lake Band of Ojibwe American Indian child welfare initiative.** $1,848,000 in fiscal year 2024 and $1,848,000 in fiscal year 2025 are from the general fund for the Leech Lake Band of Ojibwe to participate in the American Indian child welfare initiative.

(d) **Red Lake Band of Chippewa American Indian child welfare initiative.** $3,000,000 in fiscal year 2024 and $3,000,000 in fiscal year 2025 are from the general fund for the Red Lake Band of Chippewa to participate in the American Indian child welfare initiative.

(e) **White Earth Nation American Indian child welfare initiative.** $3,776,000 in fiscal year 2024 and $3,776,000 in fiscal year 2025 are from the general fund for the White Earth Nation to participate in the American Indian child welfare initiative.

(f) **Indian Child welfare grants.** $4,405,000 in fiscal year 2024 and $4,405,000 in fiscal year 2025 are from the general fund for Indian child welfare grants under Minnesota Statutes, section 260.785. The base for this appropriation is $4,640,000 in fiscal year 2026 and $4,640,000 in fiscal year 2027.

(g) **Child welfare staff allocation for Tribes.** $799,000 in fiscal year 2024 and $799,000 in fiscal year 2025 are from the general fund for grants to Tribes for child welfare staffing under Minnesota Statutes, section 260.786.

(h) **Grants for kinship navigator services.** $764,000 in fiscal year 2024 and $764,000 in fiscal year 2025 are from the general fund for grants for kinship navigator services and grants to Tribal Nations for kinship navigator services under Minnesota Statutes, section 256.4794. The base for this appropriation is $506,000 in fiscal year 2026 and $507,000 in fiscal year 2027.

(i) **Family first prevention and early intervention assessment response grants.** $4,000,000 in fiscal year 2024 and $6,112,000 in fiscal year 2025 are from the general fund for family assessment response grants under Minnesota Statutes, section 260.014. Any unexpended amount in fiscal year 2024 is available in fiscal year 2025. The base for this appropriation is $6,000,000 in fiscal year 2026 and $6,000,000 in fiscal year 2027.

(j) **Grants for evidence-based prevention and early intervention services.** $4,329,000 in fiscal year 2024 and $4,100,000 in fiscal year 2025 are from the general fund for grants to support evidence-based prevention and early intervention services under Minnesota Statutes, section 256.4793.

(k) **Grant to administer pool of qualified individuals for assessments.** $250,000 in fiscal year 2024 and $250,000 in fiscal year 2025 are from the general fund for grants to establish and manage a pool of state-funded qualified individuals to conduct assessments for out-of-home placement of a child in a qualified residential treatment program.

(l) **Quality parenting initiative grant program.** $100,000 in fiscal year 2024 and $100,000 in fiscal year 2025 are from the general fund for a grant to Quality Parenting Initiative Minnesota under Minnesota Statutes, section 245.0962.

(m) **STAY in the community grants.** $1,579,000 in fiscal year 2024 and $2,247,000 in fiscal year 2025 are from the general fund for the STAY in the community program under Minnesota Statutes, section 260C.452. This is a onetime appropriation and is available until June 30, 2027.

(n) **Grants for community resource centers.** $5,657,000 in fiscal year 2024 is from the general fund for grants to establish a network of community resource centers. This is a onetime appropriation and is available until June 30, 2027.

~~(o) **Family assets for independence in Minnesota.** $1,405,000 in fiscal year 2024 and $1,391,000 in fiscal year 2025 are from the general fund for the family assets for independence in Minnesota program, under Minnesota Statutes, section 256E.35. This is a onetime appropriation and is available until June 30, 2027.~~

~~(p)~~ (o) **Base level adjustment.** The general fund base is $85,280,000 in fiscal year 2026 and $85,281,000 in fiscal year 2027.

Sec. 9. Laws 2023, chapter 70, article 20, section 2, subdivision 24, is amended to read:

Subd. 24. **Grant Programs; Children and Economic Support Grants**	212,877,000	78,333,000

(a) **Fraud prevention initiative start-up grants.** $400,000 in fiscal year 2024 is for start-up grants to the Red Lake Nation, White Earth Nation, and Mille Lacs Band of Ojibwe to develop a fraud prevention program. This is a onetime appropriation and is available until June 30, 2025.

(b) **American Indian food sovereignty funding program.** $3,000,000 in fiscal year 2024 and $3,000,000 in fiscal year 2025 are for Minnesota Statutes, section 256E.342. This appropriation is available until June 30, 2025. The base for this appropriation is $2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027.

(c) **Hennepin County grants to provide services to people experiencing homelessness.** $11,432,000 in fiscal year 2024 is for grants to maintain capacity for shelters and services provided to persons experiencing homelessness in Hennepin County. Of this amount:

(1) $4,500,000 is for a grant to Avivo Village;

(2) $2,000,000 is for a grant to the American Indian Community Development Corporation Homeward Bound shelter;

(3) $1,650,000 is for a grant to the Salvation Army Harbor Lights shelter;

(4) $500,000 is for a grant to Agate Housing and Services;

(5) $1,400,000 is for a grant to Catholic Charities of St. Paul and Minneapolis;

(6) $450,000 is for a grant to Simpson Housing; and

(7) $932,000 is for a grant to Hennepin County.

Nothing shall preclude an eligible organization receiving funding under this paragraph from applying for and receiving funding under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47, nor does receiving funding under this paragraph count against any eligible organization in the competitive processes related to those grant programs under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47.

(d) **Diaper distribution grant program.** $545,000 in fiscal year 2024 and $553,000 in fiscal year 2025 are for a grant to the Diaper Bank of Minnesota under Minnesota Statutes, section 256E.38.

(e) **Prepared meals food relief.** $1,654,000 in fiscal year 2024 and $1,638,000 in fiscal year 2025 are for prepared meals food relief grants. This is a onetime appropriation.

(f) **Emergency shelter facilities.** $98,456,000 in fiscal year 2024 is for grants to eligible applicants for emergency shelter facilities. This is a onetime appropriation and is available until June 30, 2028.

(g) **Homeless youth cash stipend pilot project.** $5,302,000 in fiscal year 2024 is for a grant to Youthprise for the homeless youth cash stipend pilot project. The grant must be used to provide cash stipends to homeless youth, provide cash incentives for stipend recipients to participate in periodic surveys, provide youth-designed optional services, and complete a legislative report. This is a onetime appropriation and is available until June 30, 2028.

(h) **Heading Home Ramsey County continuum of care grants.** $11,432,000 in fiscal year 2024 is for grants to maintain capacity for shelters and services provided to people experiencing homelessness in Ramsey County. Of this amount:

(1) $2,286,000 is for a grant to Catholic Charities of St. Paul and Minneapolis;

(2) $1,498,000 is for a grant to More Doors;

(3) $1,734,000 is for a grant to Interfaith Action Project Home;

(4) $2,248,000 is for a grant to Ramsey County;

(5) $689,000 is for a grant to Radias Health;

(6) $493,000 is for a grant to The Listening House;

(7) $512,000 is for a grant to Face to Face; and

(8) $1,972,000 is for a grant to the city of St. Paul.

Nothing shall preclude an eligible organization receiving funding under this paragraph from applying for and receiving funding under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47, nor does receiving funding under this paragraph count against any eligible organization in the competitive processes related to those grant programs under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47.

(i) **Capital for emergency food distribution facilities.** $7,000,000 in fiscal year 2024 is for improving and expanding the infrastructure of food shelf facilities. Grant money must be made available to nonprofit organizations, federally recognized Tribes, and local units of government. This is a onetime appropriation and is available until June 30, 2027.

(j) **Emergency services program grants.** $15,250,000 in fiscal year 2024 and $14,750,000 in fiscal year 2025 are for emergency services grants under Minnesota Statutes, section 256E.36. Any unexpended amount in the first year does not cancel and is available in the second year. The base for this appropriation is $25,000,000 in fiscal year 2026 and $30,000,000 in fiscal year 2027.

(k) **Homeless Youth Act grants.** $15,136,000 in fiscal year 2024 and $15,136,000 in fiscal year 2025 are for grants under Minnesota Statutes, section 256K.45, subdivision 1. Any unexpended amount in the first year does not cancel and is available in the second year.

(l) **Transitional housing programs.** $3,000,000 in fiscal year 2024 and $3,000,000 in fiscal year 2025 are for transitional housing programs under Minnesota Statutes, section 256E.33. Any unexpended amount in the first year does not cancel and is available in the second year.

(m) **Safe harbor shelter and housing grants.** $2,125,000 in fiscal year 2024 and $2,125,000 in fiscal year 2025 are for grants under Minnesota Statutes, section 256K.47. Any unexpended amount in the first year does not cancel and is available in the second year. The base for this appropriation is $1,250,000 in fiscal year 2026 and $1,250,000 in fiscal year 2027.

(n) **Supplemental nutrition assistance program (SNAP) outreach.** $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are for the SNAP outreach program under Minnesota Statutes, section 256D.65. The base for this appropriation is $500,000 in fiscal year 2026 and $500,000 in fiscal year 2027.

(o) **Family Assets for Independence in Minnesota.** $1,405,000 in fiscal year 2024 and $1,391,000 in fiscal year 2025 are from the general fund for the family assets for independence in Minnesota program, under Minnesota Statutes, section 256E.35. This is a onetime appropriation and is available until June 30, 2027.

(p) **Minnesota Food Assistance Program.** Unexpended funds for the Minnesota food assistance program for fiscal year 2024 are available until June 30, 2025.

~~(o)~~ (q) **Base level adjustment.** The general fund base is $83,179,000 in fiscal year 2026 and $88,179,000 in fiscal year 2027.

Sec. 10. Laws 2023, chapter 70, article 20, section 23, is amended to read:

Sec. 23. **TRANSFERS.**

Subdivision 1. **Grants.** The commissioner of human services and commissioner of children, youth, and families, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2025, within fiscal years among MFIP; general assistance; medical assistance; MinnesotaCare; MFIP child care assistance under Minnesota Statutes, section 119B.05; Minnesota supplemental aid program; housing support program; the entitlement portion of Northstar Care for Children under Minnesota Statutes, chapter 256N; and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within and between the Department of Human Services and the Department of Children, Youth, and Families as the commissioners consider necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Sec. 11. **APPROPRIATION CANCELATION; EARLY CHILDHOOD LEARNING AND CHILDHOOD PROTECTION FACILITIES.**

The appropriation in Laws 2023, chapter 71, article 1, section 12, subdivision 4, for early childhood learning and child protection facilities under Minnesota Statutes, section 256E.37, is canceled to the general fund.

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

Sec. 12. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer under this article is enacted more than once during the 2024 regular session, the appropriation or transfer must be given effect once.

Sec. 13. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires June 30, 2025, unless a different expiration date is explicit."

Delete the title and insert:

"A bill for an act relating to children; modifying provisions related to prekindergarten through grade 12 general education, education excellence, the Read Act, American Indian education, teachers, charter schools, special education, school facilities, school nutrition, libraries, state agencies, early childhood education, child protection and welfare, economic supports, housing and homelessness, child care licensing, the Department of Children, Youth, and Families, the Minnesota Indian Family Preservation Act, children and families policy, and Department of Human Services policy; providing for Human Services forecast adjustments; providing for supplemental funding; providing for rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.321, by adding a subdivision; 16A.103, by adding a subdivision; 120A.41; 121A.035; 121A.15, subdivision 3, by adding a subdivision; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 123B.71, subdivision 8; 124D.093, subdivisions 4, 5; 124D.19, subdivision 8; 124D.65, by adding a subdivision; 124D.957, subdivision 1; 124E.22; 125A.63, subdivision 5; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.45, subdivisions 12, 13, 14a; 127A.51; 144.966, subdivision 2; 243.166, subdivision 7, as amended; 245.975, subdivisions 2, 4, 9; 245A.04, subdivision 10; 245A.065; 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.08, subdivision 4; 245E.08; 245H.01, by adding subdivisions; 245H.08, subdivision 1; 245H.14, subdivisions 1, 4; 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; 256E.35, subdivision 5; 256J.08, subdivision 34a; 256J.28, subdivision 1; 256N.22, subdivision 10; 256N.24, subdivision 10; 256N.26, subdivisions 12, 13, 15, 16, 18, 21, 22; 256P.05, by adding a subdivision; 259.20, subdivision 2; 259.37, subdivision 2; 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 5, 6, 26b, by adding subdivisions; 260C.141, by adding a subdivision; 260C.178, subdivisions 1, as amended, 7; 260C.202; 260C.209, subdivision 1; 260C.212, subdivisions 1, 2, 13; 260C.301, subdivision 1, as amended; 260C.331, 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, by adding a subdivision; 260E.14,

subdivision 3; 260E.30, subdivision 3, as amended; 260E.36, subdivision 1a; 393.07, subdivision 10a; 518.17, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 13.46, subdivision 4, as amended; 119B.011, subdivision 15; 119B.16, subdivisions 1a, 1c; 119B.161, subdivision 2; 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4, 5; 120B.024, subdivision 1; 120B.124, subdivision 1, by adding a subdivision; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2; 123B.71, subdivision 12; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.142, subdivision 2, as amended; 124D.151, subdivision 6; 124D.165, subdivisions 3, 6; 124D.65, subdivision 5, as amended; 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, 3a, 3c, 4, 18a; 126C.40, subdivision 6; 127A.21; 134.356, by adding subdivisions; 144.2252, subdivision 2; 144.2253; 245A.02, subdivision 2c; 245A.03, subdivision 7, as amended; 245A.16, subdivisions 1, as amended, 11; 245A.50, subdivisions 3, 4; 245A.66, subdivision 4, as amended; 245C.02, subdivision 6a; 245C.033, subdivision 3; 245C.10, subdivision 15; 245H.06, subdivisions 1, 2; 245H.08, subdivisions 4, 5; 256.01, subdivision 12b; 256.043, subdivisions 3, 3a; 256.045, subdivision 3, as amended; 256.046, subdivision 3; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; 256E.35, subdivision 2; 256E.38, subdivision 4; 256M.42, by adding a subdivision; 256P.06, subdivision 3; 259.83, subdivisions 1, 1b, 3a; 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; 260E.02, subdivision 1, as amended; 260E.03, subdivisions 15a, 15b, 22; 260E.14, subdivision 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 518A.42, subdivision 3; Laws 1987, chapter 404, section 18, subdivision 1; 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, 13; article 2, sections 61, subdivision 4; 64, subdivisions 2, as amended, 6, as amended, 9, 14, 16, 26, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 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; article 12, section 17, subdivision 2; Laws 2023, chapter 64, article 15, section 34, subdivision 2; Laws 2023, chapter 70, article 11, section 13, subdivision 8; article 12, section 30, subdivisions 2, 3; article 14, section 42, subdivision 6; article 20, sections 2, subdivisions 22, 24; 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; 7, subdivision 2; 10, subdivision 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 123B; 127A; 142A; 259; 260D; 260E; 524; proposing coding for new law as Minnesota Statutes, chapters 142B; 142C; 142F; repealing Minnesota Statutes 2022, sections 127A.095, subdivision 3; 245.975, subdivision 8; 256.01, subdivisions 12, 12a; 260.755, subdivision 13; Laws 2023, chapter 25, section 190, subdivision 10; Laws 2023, chapter 55, article 10, section 4; 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; 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."

We request the adoption of this report and repassage of the bill.

House Conferees: CHERYL YOUAKIM, MARY FRANCES CLARDY, HEATHER EDELSON and SAMANTHA SENCER-MURA.

Senate Conferees: MARY KUNESH, STEVE CWODZINSKI, HEATHER GUSTAFSON, ERIN MAYE QUADE and LIZ BOLDON.

Youakim moved that the report of the Conference Committee on H. F. No. 5237 be adopted and that the bill be repassed as amended by the Conference Committee.

Nelson, N., moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 5237 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Nelson, N., motion and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

The Speaker called Tabke to the Chair.

The question recurred on the Youakim motion that the report of the Conference Committee on H. F. No. 5237 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 70 yeas and 58 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 3911 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. 3911 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the

appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **POLLUTION CONTROL AGENCY**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$14,858,000**

Appropriations by Fund

	2024	2025
General	-0-	7,043,000
Environmental	-0-	7,815,000

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

Subd. 2. **Air Regulatory Work; Environmental Justice Areas**

$2,975,000 the second year is from the environmental fund for prioritizing air regulatory program work in environmental justice areas. This appropriation is available until June 30, 2027. The base in fiscal year 2026 and thereafter is $2,625,000.

Subd. 3. **Legal Services**

$525,000 the second year is from the environmental fund for Operations Division legal services that support industrial compliance programs.

$5,500,000 the second year is for legal costs. This is a onetime appropriation and is available until June 30, 2027.

Subd. 4. **Mobile Emissions Monitoring Trailer**

$1,025,000 the second year is from the environmental fund to construct and operate a mobile emissions regulatory monitoring trailer. This appropriation is available until June 30, 2027. The base in fiscal year 2026 and thereafter is $535,000.

Subd. 5. **Researching Climate Adaptation and Resilience Study**

$750,000 the second year is for the Researching Climate Adaptation and Resilience Costs for Minnesota Study. This is a onetime appropriation and is available until June 30, 2026.

Subd. 6. **Composting Grants for Multifamily Buildings**

$593,000 the second year is to make grants for pilot projects that encourage composting by residents of multifamily buildings. Of this amount, $393,000 is from the general fund and $200,000 is from the environmental fund. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to five percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2027.

Eligible applicants include: (1) a political subdivision; (2) an owner of a multifamily building; or (3) an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

The commissioner must submit a report on the grants awarded under this subdivision to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and finance. The report must contain, at a minimum, a list of grantees, the amount of each grant awarded, the activities undertaken with grant funds, and, if possible, the results of the grant with respect to encouraging composting in multifamily buildings. The report is due by October 1, 2027.

Subd. 7. **Olmsted County Tire and Solid Waste Removal**

$550,000 the second year is for a grant to Olmsted County for the environmental cleanup of a 12-acre tax-forfeited property in Haverhill Township. Of this amount, $400,000 is from the general fund and $150,000 is from the environmental fund. This appropriation may be used to remove tires and solid waste. This is a onetime appropriation and is available until June 30, 2026.

Subd. 8. **Critical Materials Recovery Advisory Task Force**

$319,000 the second year is from the environmental fund for the costs of the Critical Materials Recovery Advisory Task Force. This is a onetime appropriation and is available until June 30, 2026.

Subd. 9. **State Salt Purchase Reporting**

$88,000 the second year is from the environmental fund for the annual reporting requirements of the purchase of deicing salt by state agencies under Minnesota Statutes, section 116.2021.

Subd. 10. **State Nitrogen Fertilizer Purchase Reporting**

$88,000 the second year is from the environmental fund to prepare a report on state agency nitrogen fertilizer purchases as required by Minnesota Statutes, section 116.2022.

Subd. 11. **Analyze PFAS in Sewage Sludge**

$350,000 the second year is from the environmental fund to prepare and implement a strategy to analyze PFAS in sewage sludge prepared for land application as required in this act. This is a onetime appropriation.

Subd. 12. **Lawn and Snow Removal Electrification Rebates**

$1,000,000 the second year is from the environmental fund to establish a pilot program that provides financial assistance to eligible applicants for the purchase of lawn and snow removal equipment powered solely by electricity. The commissioner must engage with environmental justice communities to design eligibility criteria that prioritize applications from residents of environmental justice areas, as defined in Minnesota Statutes, section 115A.03, subdivision 10b, and as informed by the United States Environmental Protection Agency's Environmental Justice Screening and Mapping Tool. This is a onetime appropriation and is available until June 30, 2027.

Subd. 13. **Stationary Air Monitors**

$1,095,000 the second year is from the environmental fund for monitoring ambient air for hazardous air pollutants in Hennepin, Ramsey, Washington, and Olmsted Counties. The base in fiscal year 2026 and thereafter is $881,000.

Subd. 14. **Availability of Climate Resiliency and Water Infrastructure Grants**

Of the amount appropriated under Laws 2023, chapter 60, article 1, section 2, subdivision 2, paragraph (k), for a climate resiliency and water infrastructure grant program, up to $5,000,000 may be used to supplement any federal grant that the commissioner receives under the United States Environmental Protection Agency's Climate Pollution Reduction Grant (CPRG) program.

Subd. 15. **Extending Appropriation Availability**

The appropriations in Laws 2023, chapter 60, article 1, section 2, subdivision 2, paragraphs (l), (m), and (n), are available until June 30, 2025.

Any unspent portion of the appropriation under Laws 2023, chapter 60, article 1, section 2, subdivision 2, paragraph (t), remaining after the PFAS manufacturers fee work group report has been submitted to the legislature must be used for the PFAS removal report required under this act and is available until June 30, 2025.

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

Subdivision 1. **Total Appropriation** **$768,000** **$21,455,000**

Appropriations by Fund

	2024	2025
General	-0-	4,382,000
Game and Fish	-0-	8,160,000
Natural Resources	768,000	8,496,000
Permanent School	-0-	417,000

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

Subd. 2. **Legal Costs**

$1,300,000 the second year is for legal costs. This is a onetime appropriation.

The commissioner of natural resources must work with the commissioners of management and budget, the Pollution Control Agency, and other cabinet departments that incur significant litigation-related costs to develop recommendations for a statewide funding strategy to address escalating litigation-related costs across cabinet agencies. That strategy should consider the unpredictable and outsized effects that major litigation can have on an individual agency's budget. The commissioners must submit a report of the recommendations to the relevant committee chairs by December 15, 2024.

Subd. 3. **Public Safety Costs**

$200,000 the second year is for public safety costs. This is a onetime appropriation.

Subd. 4. **Report on Reopening General C.C. Andrews State Nursery**

$200,000 the second year is from the heritage enhancement account in the game and fish fund to the commissioner of natural resources to prepare and submit a report on reopening General C.C. Andrews State Nursery to provide conservation-grade container seedlings to meet the state's reforestation needs. The report must be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources by January 15, 2025, and include funding recommendations and any statutory changes necessary to reopen the nursery and produce the seedlings. This is a onetime appropriation.

Subd. 5. **Electronic Licensing System**

$2,600,000 the second year is to support the development and implementation of a modern electronic licensing system. Of this amount, $330,000 is from the water recreation account; $80,000 is from the snowmobile account; $204,000 is from the all-terrain vehicle account; $7,000 is from the off-highway motorcycle account; $4,000 is from the off-road vehicle account; and $1,975,000 is from the game and fish fund. This is a onetime appropriation and is available until June 30, 2026.

Subd. 6. **Compensation for Conservation Officers**

$300,000 the second year is to maintain current law enforcement service levels. Of this amount, $30,000 is from the water recreation account; $15,000 is from the all-terrain vehicle account; and $255,000 is from the game and fish fund.

The increase to the base for fiscal year 2026 and thereafter is $1,080,000, and of this amount, $108,000 is from the water recreation account; $54,000 is from the all-terrain vehicle account; and $918,000 is from the game and fish fund.

Subd. 7. **Test Source Water at State Fish Hatcheries**

$30,000 the second year is from the game and fish fund to test source water at state fish hatcheries and for reporting required under Minnesota Statutes, section 97C.202.

Subd. 8. **Plant Trees in State Parks**

$2,000,000 the second year is from the natural resources fund to plant trees in state parks and state recreation areas. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2). This is a onetime appropriation and is available until June 30, 2027.

Subd. 9. **Community Tree-Planting Grants**

Notwithstanding Minnesota Statutes, section 297A.94, $5,000,000 the second year is from the heritage enhancement account in the game and fish fund for community tree-planting grants under Minnesota Statutes, section 84.705. Of this amount, $300,000 is for a grant to the city of Northfield and $300,000 is for a grant to the city of St. Peter. This is a onetime appropriation and is available until June 30, 2027.

Subd. 10. **Feral Swine and Fur Farms**

$700,000 the second year is from the heritage enhancement account in the game and fish fund to implement feral swine and fur farm requirements under this act. The base for this appropriation in fiscal year 2026 and thereafter is $550,000.

Subd. 11. **Unsafe Ice Search and Rescue Reimbursement**

$200,000 the second year is to reimburse county sheriffs and other local law enforcement agencies for search and rescue operations related to recreational activities on unsafe ice under Minnesota Statutes, section 86B.1065. This is a onetime appropriation and is available until June 30, 2027.

Subd. 12. **International Wolf Center**

$1,332,000 the second year is for maintenance, repair, energy efficiency improvements, heating and ventilation system replacement, and visitor enhancements to the building currently leased to the International Wolf Center in Ely, Minnesota. This is a onetime appropriation and is available until June 30, 2027.

Subd. 13. **Condemnation of Certain Land in Mille Lacs County**

$750,000 the second year is to initiate condemnation proceedings of the lands described in article 8, section 13. The commissioner may use this appropriation for project costs, including but not limited to valuation expenses, legal fees, closing costs, transactional staff costs, and the condemnation award. This is a onetime appropriation and is available until June 30, 2027.

Subd. 14. **Outreach and Education**

$500,000 the second year is to create new or expand existing outreach and education programs for nonnative English-speaking communities. Of this amount, $200,000 is for a competitive grant program for nonprofit organizations to connect youth in underserved communities in metropolitan area environmental justice areas with outdoor experiences, and $300,000 is for the

Fishing in the Neighborhood program for outreach to new and underserved audiences. This appropriation may be used for community outreach consultants for reaching new audiences. This is a onetime appropriation and is available until June 30, 2028.

Subd. 15. **Report on Recreational Use of Permanent School Land**

$417,000 the second year is transferred from the forest suspense account to the permanent school fund and is appropriated from the permanent school fund for the Office of School Trust Lands for conducting the study of the recreational use of school trust lands. This is a onetime transfer.

Subd. 16. **Nonpetroleum Gas Regulatory Framework**

$768,000 the first year is from the minerals management account in the natural resources fund for the Minnesota Gas and Oil Resources Technical Advisory Committee. This is a onetime appropriation and is available until June 30, 2027.

$2,406,000 the second year is from the minerals management account in the natural resources fund to adopt a regulatory framework for gas and oil production in Minnesota and for rulemaking. This is a onetime appropriation and is available until June 30, 2028.

Subd. 17. **All-Terrain Vehicle Grant-in-Aid Program**

$1,500,000 the second year is from the all-terrain vehicle account in the natural resources fund for the grant-in-aid program under Minnesota Statutes, section 84.927, subdivision 2, clause (4). This is a onetime appropriation.

Subd. 18. **Prospector Loop ATV Trail System**

$1,200,000 the second year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to construct and maintain the Prospector Loop all-terrain vehicle trail system. This is a onetime appropriation and is available until June 30, 2027.

Subd. 19. **Zoo Tree-Planting**

$300,000 the second year is from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo for purposes of planting trees within the zoos. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5). This is a onetime appropriation and is available until June 30, 2026.

Subd. 20. **Off-Highway Motorcycle Trail Ambassador Program**

$20,000 the second year is from the off-highway motorcycle account in the natural resources fund for grants to qualifying off-highway motorcycle organizations to assist in providing safety and environmental education and monitoring trails on public lands according to Minnesota Statutes, section 84.9011. Grants awarded under this subdivision must be issued through a formal agreement with the organization.

By December 15 each year, an organization receiving a grant under this subdivision must report to the commissioner with details on how the money was expended and what outcomes were achieved.

Subd. 21. **Accessible School Playgrounds**

(a) $400,000 the second year is for grants to school districts for accessible and inclusive school playgrounds. This is a onetime appropriation and is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (j). This appropriation is available until June 30, 2027. Of this amount:

(1) $100,000 is for Independent School District No. 196, Rosemount-Apple Valley-Eagan, for a playground at Deerwood Elementary School;

(2) $100,000 is for Independent School District No. 197, West St. Paul-Mendota Heights-Eagan, for a playground at Somerset Elementary School;

(3) $100,000 is for Independent School District No. 199, Inver Grove Heights, for a playground at Hilltop Elementary School; and

(4) $100,000 is for Independent School District No. 625, St. Paul, for an autism sensory-friendly playground at Txuj Ci HMong Language and Culture, Lower Campus.

(b) A school district receiving a grant under this subdivision must use the funds to:

(1) replace, repair, expand, or install playground equipment;

(2) create accessible routes to the playground equipment;

(3) install unitary surface material to expand accessibility; or

(4) create a sensory-friendly playground, including sensory-friendly playground equipment.

(c) A grant recipient must have its playground plans previewed before construction or reviewed after the installation is complete by a certified playground safety inspector or a Minnesota certified accessibility specialist.

Subd. 22. **Real-Time Water Quality Network**

$100,000 the second year is to study, in coordination with the commissioner of the Pollution Control Agency, the creation of an online real-time water quality monitoring network in Minnesota. The study must include the barriers to implementing this multiagency program, including the design of a website and the cost to deploy stream flow and nitrate monitoring equipment in the state. This is a onetime appropriation. The study must be completed by June 30, 2025, and submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources.

Subd. 23. **Report on Outdoor Opportunities for Minnesota Youth**

Up to $100,000 of the amount appropriated under Laws 2023, chapter 60, article 1, section 3, subdivision 6, paragraph (g), for natural-resource-based education and recreation programs serving youth may be used for the report on outdoor opportunities for Minnesota youth required in this act.

Subd. 24. **Extending Appropriation Availability**

The appropriation in Laws 2023, chapter 60, article 1, section 3, subdivision 5, paragraph (o), for a grant to Dakota County for improvements to the Swing Bridge Trailhead and historic Rock Island Swing Bridge is available until June 30, 2025.

The appropriation in Laws 2023, chapter 60, article 1, section 3, subdivision 5, paragraph (p), for a grant to Dakota County for adding a public boat launch along the Mississippi River is available until June 30, 2025.

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

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

Subdivision 1. **Total Appropriation**	**$-0-**	**$1,950,000**

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

Subd. 2. **Manure Management Funding**

$850,000 the second year is for manure management activities. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the board may use up to five percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2026.

Money appropriated in this subdivision for manure management activities may be used to enhance groundwater protection and reduce greenhouse gases associated with agriculture. Priority must be given to areas with high groundwater nitrate levels or geology conducive to groundwater pollution, such as those shown on the Department of Agriculture's vulnerable groundwater area map.

Funded activities may include: providing grants; funding projects and practices that limit agricultural use of vulnerable land, such as establishing karst feature buffers or conservation easements; and cost-share assistance for constructing manure management and storage facilities. All funded projects must be designed to result in improved water quality or reduced greenhouse gas emissions. Feedlot funding recipients must have a nutrient management plan and must operate at fewer than 1,000 animal units. Funding for expanded liquid manure storage capacity must not exceed 12 months of storage based on current animal numbers. Anaerobic digesters are not eligible for funding under this subdivision.

The board may use this appropriation to match federal money. The board must ensure that funding agreements include terms necessary to document implementation of approved plans and activities.

Subd. 3. **Red River of the North; Adaptive Phosphorus Management**

$300,000 the second year is for a grant to the Red River Basin Commission to facilitate development of a feasibility assessment of adaptive phosphorus management for the Red River of the North. The commission may contract with outside experts or academic institutions in developing the assessment. The assessment: (1) must address applicable water-quality targets for phosphorus loading; (2) must include an allocation of phosphorus between point and nonpoint sources; (3) must identify cost-effective nutrient reduction implementation strategies; and (4) may include other state water-quality goals and objectives. This is a onetime appropriation and is available until June 30, 2026.

In developing the assessment, the Red River Basin Commission must use available data and analysis to the extent feasible and incorporate input from an advisory group that includes representatives of agriculture, soil and water conservation districts,

watershed districts, municipalities, and other Minnesota organizations represented on the board of directors of the Red River Basin Commission. The Red River Basin Commission may also work with representatives from relevant organizations from North Dakota, South Dakota, and Manitoba.

By June 30, 2026, the Red River Basin Commission must submit the final assessment to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment policy and finance.

Subd. 4. **Lawns to Legumes**

$800,000 the second year is for the lawns to legumes program under Minnesota Statutes, section 103B.104. The board may enter into agreements with local governments, Metro Blooms, and other organizations to support this effort. This is a onetime appropriation and is available until June 30, 2027.

Sec. 5. **METROPOLITAN COUNCIL** **$-0-** **$5,525,000**

Appropriations by Fund

	2024	2025
General	-0-	3,625,000
Natural Resources	-0-	1,900,000

$3,188,000 the second year is for community tree-planting grants under Minnesota Statutes, section 473.355. Of this amount, $688,000 is for a grant to the city of South St. Paul. This is a onetime appropriation and is available until June 30, 2026.

$437,000 the second year is for a grant to the city of St. Paul Park to replace a pedestrian bridge in Lions Levee Park. This is a onetime appropriation and is available until June 30, 2027.

$1,400,000 the second year is from the natural resources fund for grants to implementing agencies to plant trees within the metropolitan-area regional parks and trails system. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3). This is a onetime appropriation and is available until June 30, 2026.

$500,000 the second year is from the natural resources fund for new fishing piers to increase fishing opportunities on lakes in the metropolitan parks system. The council shall solicit applications from member park systems for proposals under this section. This is a onetime appropriation and is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3). This appropriation is available until June 30, 2026.

Sec. 6. **ZOOLOGICAL BOARD** **$-0-** **$150,000**

$150,000 the second year is from the natural resources fund to plant trees at the Minnesota Zoological Garden. This appropriation is from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5). This is a onetime appropriation and is available until June 30, 2026.

Sec. 7. Laws 2023, chapter 60, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. **Ecological and Water Resources** 48,738,000 45,797,000

Appropriations by Fund

	2024	2025
General	27,083,000	26,142,000
Natural Resources	13,831,000	13,831,000
Game and Fish	7,824,000	5,824,000

(a) $4,222,000 the first year and $4,222,000 the second year are from the invasive species account in the natural resources fund and $2,831,000 the first year and $2,831,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) $6,056,000 the first year and $6,056,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) $124,000 the first year and $124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction. By December 15, 2025, the board must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the activities funded under this paragraph and the progress made in implementing the comprehensive plan.

(d) $10,000 the first year and $10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi River.

(e) $300,000 the first year and $300,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement. The base for this appropriation in fiscal year 2026 and beyond is $264,000.

(f) $2,598,000 the first year and $2,598,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) $1,150,000 the first year and $1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, $100,000 the first year and $100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, $48,000 the first year and $48,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) $6,000,000 the first year and $6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) Notwithstanding Minnesota Statutes, section 297A.94, paragraph (k), $2,410,000 the first year and $410,000 the second year are from the heritage enhancement account in the game and fish fund and $500,000 the first year and $500,000 the second year are from the general fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota

to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others. The general fund appropriations are available until June 30, 2025, and the heritage enhancement account appropriations are available until June 30, 2028.

(k) $268,000 the first year and $268,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation and is available until June 30, 2028.

(l) $998,000 the first year and $568,000 the second year are for protecting and restoring carbon storage in state-administered peatlands by reviewing and updating the state's peatland inventory, piloting a restoration project, and piloting trust fund buyouts. This is a onetime appropriation and is available until June 30, 2028.

(m) $250,000 the first year is for a grant to the Minnesota Lakes and Rivers Advocates to work with civic leaders to purchase, install, and operate waterless cleaning stations for watercraft; conduct aquatic invasive species education; and implement education upgrades at public accesses to prevent invasive starry stonewort spread beyond the lakes already infested. This is a onetime appropriation and is available until June 30, 2025.

(n) $1,720,000 the first year is to prevent and manage invasive carp. This includes activities related to the Mississippi River Lock and Dam and stakeholder engagement. Up to $325,000 may be used for a grant to the Board of Regents of the University of Minnesota to study the Mississippi River Lock Dam 5 spillway and provide preliminary design to optimize management to reduce invasive carp passage.

(o) Up to $6,000,000 the first year is available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund to expand Grey Cloud Island Scientific and Natural Area and for other scientific and natural area acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5b.

(p) $40,000 the first year is for a grant to the Stearns Coalition of Lake Associations to manage aquatic invasive species. The unencumbered balance of the general fund appropriation in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 3, paragraph (a), for the grant to the Stearns Coalition of Lake Associations, estimated to be $40,000, is canceled no later than June 29, 2023.

(q) $200,000 the first year is for a grant to the Board of Regents of the University of Minnesota for the University of Minnesota Water Council to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years according to this act.

(r) The total general fund base budget for the ecological and water resources division for fiscal year 2026 and later is $24,870,000.

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

Sec. 8. Laws 2023, chapter 60, article 1, section 3, subdivision 10, is amended to read:

Subd. 10. **Get Out MORE (Modernizing Outdoor Recreation Experiences)** 110,000,000 -0-

(a) $110,000,000 the first year is for modernizing Minnesota's state-managed outdoor recreation experiences. Of this amount:

(1) $25,000,000 is for enhancing access and welcoming new users to public lands and outdoor recreation facilities, including improvements to improve climate resiliency;

(2) $5,000,000 is for modernizing camping and related infrastructure, including improvements to improve climate resiliency;

(3) $35,000,000 is for modernizing fish hatcheries and fishing infrastructure. Of this amount, up to $366,000 is for installing continuous water-quality monitoring devices;

(4) $10,000,000 is for restoring streams and modernizing water-related infrastructure with priority given to fish habitat improvements, dam removal, and improvements to improve climate resiliency; and

(5) $35,000,000 is for modernizing boating access.

(b) Priority for money allocated under paragraph (a), clauses (1), (3), (4), and (5), must be given to projects where communities are currently underserved.

(c) The commissioner may reallocate money appropriated in paragraph (a) across those purposes based on project readiness and priority. The appropriations in paragraph (a) are available until June 30, 2029.

(d) No later than November 30 each year, the commissioner must provide a progress report on the expenditure of money appropriated under this subdivision to the chairs of the legislative committees with jurisdiction over environment and natural resources finance.

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

ARTICLE 2
POLLUTION CONTROL

Section 1. Minnesota Statutes 2023 Supplement, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner is given and charged with the following powers and duties:

(1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(5) to adopt, issue, reissue, modify, deny, ~~or~~ revoke, reopen, enter into, or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of

pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; ~~and~~

(x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater; and

(xi) when appropriate, requiring parties who enter into a negotiated agreement to settle an enforcement matter with the agency to reimburse the agency for oversight costs. The agency may recover oversight costs only if the agency's costs exceed $25,000. If oversight costs exceed $25,000, the agency may recover all the oversight costs incurred by the agency that are associated with implementing the negotiated agreement. Oversight costs may

include but are not limited to any costs associated with inspections, sampling, monitoring, modeling, risk assessment, permit writing, engineering review, economic analysis and review, and other record or document review. Estimates of anticipated oversight costs must be disclosed in the negotiated agreement, and estimates must be periodically updated and disclosed to the parties to the negotiated agreement. The agency's legal and litigation costs are not recoverable under this clause. In addition to settlement agreements, the commissioner has discretion as to whether to apply this clause in cases when the agency is using schedules of compliance to bring a class of regulated parties into compliance;

(6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(10) to train water pollution control personnel and charge training fees as are necessary to cover the agency's costs. All such fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs not to exceed $350. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

(12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

(14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; ~~and~~

(15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training; and

(16) to encourage practices that enable the recovery and use of waste heat from wastewater treatment operations.

(b) The information required in paragraph (a), clause (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 2. Minnesota Statutes 2022, section 115.071, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of sections 103F.701 to 103F.755, this chapter and chapters 114C, 115A, and 116, and sections 325E.10 to 325E.1251 and 325E.32 and all rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the agency thereunder or under any other law now in force or hereafter enacted for the prevention, control, or abatement of pollution may be enforced by any one or any combination of the following: criminal prosecution; action to recover civil penalties; injunction; action to compel or cease performance; or other appropriate action, in accordance with the provisions of said chapters and this section.

Sec. 3. Minnesota Statutes 2022, section 115.071, subdivision 3, is amended to read:

Subd. 3. **Civil penalties.** (a) Any person who violates any provision of this chapter or chapter 114C or 116, except any provisions of chapter 116 relating to air and land pollution caused by agricultural operations ~~which~~ that do not involve national pollutant discharge elimination system permits, or of (1) any effluent standards and limitations or water quality standards, (2) any permit or term or condition thereof, (3) any national pollutant discharge elimination system filing requirements, (4) any duty to permit or carry out inspection, entry or monitoring activities, or (5) any rules, stipulation agreements, variances, schedules of compliance, or orders issued by the agency, ~~shall forfeit~~ forfeits and must pay to the state a penalty, in an amount to be determined by the court, of not more than ~~$10,000~~ $15,000 per day of violation, except that if the violation relates to hazardous waste, the person ~~shall forfeit~~ forfeits and must pay to the state a penalty, in an amount to be determined by the court, of not more than ~~$25,000~~ $30,000 per day of violation.

(b) In addition, in the discretion of the court, the defendant may be required to:

~~(a)~~ (1) forfeit and pay to the state a sum which will adequately compensate the state for the reasonable value of cleanup and other expenses directly resulting from unauthorized discharge of pollutants, whether or not accidental; and

~~(b)~~ (2) forfeit and pay to the state an additional sum to constitute just compensation for any loss or destruction to wildlife, fish or other aquatic life and for other actual damages to the state caused by an unauthorized discharge of pollutants.

(c) As a defense to any of said damages, the defendant may prove that the violation was caused solely by (1) an act of God, (2) an act of war, (3) negligence on the part of the state of Minnesota, or (4) an act or failure to act which constitutes sabotage or vandalism, or any combination of the foregoing clauses.

(d) The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state.

Sec. 4. Minnesota Statutes 2022, section 115.071, subdivision 4, is amended to read:

Subd. 4. **Injunctions.** Any violation of the provisions, rules, standards, orders, stipulation agreements, variances, schedules of compliance, or permits specified in this chapter and chapters 114C and 116 ~~shall constitute~~ constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general. Injunctive relief under this subdivision may include but is not limited to a requirement that a facility or person immediately cease operation or activities until such time as the commissioner has reasonable assurance that renewed operation or activities will not violate provisions, rules, standards, orders, stipulation agreements, variances, schedules of compliance, or permits specified in this chapter and chapters 114C and 116.

Sec. 5. Minnesota Statutes 2022, section 115.071, is amended by adding a subdivision to read:

Subd. 8. **Stipulation agreements.** If a party to a stipulation agreement asserts a good cause or force majeure claim for an extension of time to comply with a stipulated term, the commissioner may deny the extension if the assertion is based solely on increased costs of compliance.

Sec. 6. Minnesota Statutes 2022, section 115.073, is amended to read:

115.073 DISPOSITION OF RECEIPTS; ENFORCEMENT FUNDING.

(a) Except as provided in section 115C.05, all money recovered by the state under this chapter and chapters 115A and 116, including civil penalties and money paid under an agreement, stipulation, or settlement, excluding money paid for past due fees or taxes, must be deposited in the state treasury and credited to the environmental fund.

(b) Oversight funds reimbursed under sections 115.03, subdivision 1, paragraph (a), clause (5), and 116.07, subdivision 9, clause (4), must be deposited in a separate settlement oversight reimbursement account established in the environmental fund. The commissioner must manage the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Funds remaining in the account at the end of a fiscal year remain in the account. Money in the account is appropriated to the commissioner for the purposes of the environmental fund.

Sec. 7. Minnesota Statutes 2022, section 115A.02, is amended to read:

115A.02 LEGISLATIVE DECLARATION OF POLICY; PURPOSES.

(a) It is the goal of this chapter to protect the state's land, air, water, and other natural resources and the public health by improving waste management in the state to serve the following purposes:

(1) reduction in the amount and toxicity of waste generated;

(2) separation and recovery of materials and energy from waste;

(3) reduction in indiscriminate dependence on disposal of waste;

(4) coordination of solid waste management among political subdivisions; and

(5) orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream and thereby protect the state's land, air, water, and other natural resources and the public health. The following waste management practices are in order of preference:

(1) waste reduction and reuse;

(2) waste recycling;

(3) composting of source-separated compostable materials, including but not limited to, yard waste and food waste;

(4) resource recovery through mixed municipal solid waste composting or incineration;

(5) land disposal which produces no measurable methane gas or which involves the retrieval of methane gas as a fuel for the production of energy to be used on site or for sale; and

(6) land disposal which produces measurable methane and which does not involve the retrieval of methane gas as a fuel for the production of energy to be used on site or for sale.

(c) As a means of accomplishing state waste management goals with respect to surplus food and food waste, the following waste management practices are in order of preference:

(1) reducing the amount generated at the source;

(2) upcycling or donating for human consumption;

(3) diversion for animal consumption or leaving crops unharvested;

(4) composting or anaerobic digestion when the biogas and digestate are not disposed of but are used as a salable product; and

(5) either using anaerobic digestion, when the biogas is used as a salable product but the digestate is disposed of, or land application of food waste.

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

(1) "anaerobic digestion" means a process through which microorganisms break down organic material in the absence of oxygen and generate biogas and digestate;

(2) "biogas" means a gas that is produced when organic materials decompose and is primarily composed of methane and carbon dioxide;

(3) "composting" means controlled, aerobic biological decomposition of organic material to produce a nutrient-rich material;

(4) "digestate" means the solid or liquid residual material remaining after the anaerobic digestion process has been completed;

(5) "diversion for animal consumption" means diverting food, food scraps, food waste, or surplus food not fitting the conditions of adulteration under section 25.37 or 34A.02;

(6) "food" means a raw, cooked, processed, or prepared substance, beverage, or ingredient used for, entering into the consumption of, or used or intended for use in the preparation of a food, drink, confectionery, or condiment for humans or animals;

(7) "food scraps" means inedible food, trimmings from preparing food, and food-processing by-products. Food scraps does not include used cooking oil, grease, any material fitting the conditions of adulteration under section 25.37 or 34A.02, or food that is subject to a governmental or producer recall and that cannot be made to be safe for human or animal consumption;

(8) "food waste" means all discarded food, surplus food that is not donated, food scraps, food fitting the conditions of adulteration under section 25.37 or 34A.02, and food subject to governmental or producer recall and that cannot be made to be safe for human or animal consumption;

(9) "land application of food waste" means the direct application of food waste from food manufacturing or processing activities onto or below the surface of the land to enhance soil health;

(10) "leaving crops unharvested" means not harvesting crops that are otherwise ready for harvesting and instead leaving them in the field or tilling them into the soil;

(11) "surplus food" means food that is not sold or used and that is still safe to be consumed by humans or animals. Surplus food does not include food damaged by pests, mold, bacteria, or other contamination; food that is subject to governmental or producer recall due to food safety and that cannot be made to be safe for human or animal consumption; or any material fitting the conditions of adulteration under section 25.37 or 34A.02; and

(12) "upcycling" means capturing, processing, and remaking parts of food and food scraps into new food products for human or animal consumption when the parts of food and food scraps do not fit the conditions of adulteration under section 25.37 or 34A.02.

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

Sec. 8. Minnesota Statutes 2022, section 115A.03, is amended by adding a subdivision to read:

Subd. 24d. **Prepared sewage sludge.** "Prepared sewage sludge" means exceptional quality sewage sludge, as defined in Minnesota Rules, part 7041.0100, subpart 20, applied to a lawn or home garden and sold or given away in a bag or other container that:

(1) meets low limits on metal concentrations;

(2) has been treated to ensure pathogens, pollutants, and vectors that can transport disease have been carefully managed; and

(3) is labeled with the nutrient content.

Sec. 9. **[115A.1416] BOAT WRAP PRODUCT STEWARDSHIP PROGRAM.**

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

(b) "Boat" has the meaning given to watercraft under section 86B.005, subdivision 18.

(c) "Boat wrap" means plastic that is used, intended for use, designed, or marketed for the purposes of wrapping a boat to protect it against moisture and damage from other potentially harmful elements during storage.

(d) "Brand" means a name, symbol, word, or mark that identifies boat wrap and attributes it to the boat wrap producer.

(e) "Independent auditor" means an independent and actively licensed certified public accountant that is:

(1) retained by a stewardship organization;

(2) not otherwise employed by or affiliated with the stewardship organization; and

(3) qualified to conduct the audit required under subdivision 16.

(f) "Producer" means, with respect to boat wrap that is sold, offered for sale, imported, or distributed in the state by any means, a person that:

(1) manufactured the boat wrap under a brand that the person owns or controls;

(2) owns or controls or is licensed to use a brand for boat wrap;

(3) imported or imports the boat wrap into the United States; or

(4) distributed or distributes boat wrap in or into the state.

(g) "Recycle" or "recycling" means the process of transforming boat wrap through mechanical processes into a finished product for use or into a new material capable of being processed into a finished product. Recycle or recycling does not include:

(1) altering the chemical structure of boat wrap;

(2) using boat wrap as or processing boat wrap into a feedstock to produce transportation fuels; or

(3) destroying boat wrap by incineration or other processes.

(h) "Retailer" means a person that sells or offers boat wrap for sale in or into this state by any means.

(i) "Stewardship organization" means an organization designated by one or more producers to act on their behalf as an agent to design, submit, and implement a product stewardship plan under this section.

Subd. 2. **Product stewardship program.** A producer selling or offering boat wrap for sale in or into this state must, through membership in a stewardship organization, implement and finance a statewide product stewardship program according to a stewardship plan approved by the commissioner to reduce the volume of boat wrap disposed of in landfills by promoting and providing for the negotiation and execution of agreements to collect, transport, reuse, and recycle boat wrap.

Subd. 3. **Participation required to sell.** (a) On and after September 1, 2025, no person may use boat wrap, sell boat wrap, or offer boat wrap for sale in or into this state unless the producer participates in an approved stewardship plan through a stewardship organization.

(b) Each producer must enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the commissioner.

(c) All producers offering boat wrap for sale in or into this state must become a member of a single stewardship organization implementing a single stewardship plan.

Subd. 4. **Stewardship plan required.** On or before March 1, 2025, a stewardship organization, on behalf of member producers, must submit a stewardship plan to the commissioner for review and approval or rejection. A stewardship plan must include all elements required under subdivision 5.

Subd. 5. **Plan content.** A stewardship plan must contain:

(1) contact information for the individual and the entity submitting the plan, a list of all producers participating in the product stewardship program, and the brands of boat wrap included in the product stewardship program;

(2) certification that the product stewardship program will accept all discarded boat wrap regardless of who produced it;

(3) a description of methods by which boat wrap will be collected in all areas of the state in compliance with subdivision 14, including:

(i) an explanation of how the collection system will be convenient and adequate to serve the needs of boat owners, marinas, and boat storage establishments in both urban and rural areas on an ongoing basis; and

(ii) a discussion of how existing marinas, boat storage establishments, and sites designated as recycling centers under section 115A.555 will be considered when selecting collection sites;

(4) a description of how the performance of the collection and recycling program will be measured, monitored, and maintained;

(5) the names and locations of collectors, transporters, reuse facilities, and recyclers that will manage discarded boat wrap;

(6) a description of how discarded boat wrap will be safely and securely transported, tracked, and handled from collection through final recycling and disposal of residuals;

(7) a description of the methods that will be used to separate and manage nonrecyclable materials attached to boat wrap and to recycle discarded boat wrap;

(8) a description of the promotion and outreach activities that will be undertaken to encourage participation in the boat wrap collection and recycling programs and how their effectiveness will be evaluated;

(9) the annual performance goals established by the commissioner under subdivision 12;

(10) evidence of adequate insurance and financial assurance that may be required for collection, transport, reuse, recycling, and disposal operations; and

(11) a discussion of the status of end markets for collected boat wrap and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 6. **Consultation required.** In developing a stewardship plan, a stewardship organization must consult with stakeholders, including boat owners, owners of marinas and boat storage establishments, contractors, collectors, recyclers, Tribes, and local government units.

Subd. 7. **Agency review and approval or rejection.** (a) Within 120 days after receiving a proposed stewardship plan, the commissioner must determine whether the plan complies with subdivision 5. If the commissioner approves a plan, the commissioner must notify the applicant of the plan approval in writing. If the

commissioner rejects a plan, the commissioner must notify the applicant in writing of the reasons for rejection. An applicant whose plan is rejected by the commissioner must submit a revised plan to the commissioner within 60 days after receiving notice of rejection. If a revised plan is rejected by the commissioner, the commissioner may elect to write a plan that the applicant must implement.

(b) Commissioner approval of a written plan amendment is required before a stewardship organization may make any change to an approved plan or its implementation. A proposed plan amendment must be submitted to the commissioner for review and approval or rejection according to paragraph (a) and subdivision 8.

(c) A stewardship organization may operate under an approved stewardship plan for five years after the date the plan is approved by the commissioner, at which time the plan expires.

(d) Six months before an approved stewardship plan expires, a stewardship organization must submit a new proposed stewardship plan to the commissioner that meets the requirements of this section. The commissioner must review and approve or reject the new proposed stewardship plan according to this subdivision and subdivision 8.

Subd. 8. **Plan availability.** The commissioner must make a proposed stewardship plan or proposed plan amendment available on the agency website for public review and comment at least 45 days before the commissioner's decision regarding plan approval or rejection. The commissioner must make an approved stewardship plan available on the agency website.

Subd. 9. **Conduct authorized.** A stewardship organization that organizes collection, transport, reuse, and recycling of boat wrap under this section is immune from liability for conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen collection, transportation, reuse, or recycling program.

Subd. 10. **Stewardship organization responsibilities.** A stewardship organization must provide boat wrap purchasers with educational materials regarding the product stewardship program. The materials must include, but are not limited to, information regarding available collection, transportation, reuse, and recycling options for boat wrap offered through the product stewardship program.

Subd. 11. **Retailer responsibilities.** (a) A retailer and a wholesaler are responsible for reviewing the list of compliant producers on the agency website, maintained under subdivision 12, to determine whether a producer is compliant with this section.

(b) A retailer or wholesaler of boat wrap is not in violation of this subdivision if, on the date the boat wrap was ordered from a producer or wholesaler, the producer was listed as compliant on the agency website.

(c) A retailer may elect to participate as a designated point where boat wrap is collected as part of a product stewardship program approved under this section and in accordance with applicable law.

Subd. 12. **Agency responsibilities.** (a) The commissioner must maintain on the agency website a list of all compliant producers and brands participating in a stewardship plan that the commissioner has approved and a list of all producers and brands the commissioner has identified as noncompliant with this section.

(b) The commissioner must, in consultation with the stewardship organization, establish annual performance goals regarding the percentage and weight of boat wrap collected and recycled that the stewardship organization must incorporate into its stewardship plan and meet annually. The performance goals must increase each year and be based on:

(1) the most recent collection data available for the state;

(2) the estimated weight of boat wrap sold and discarded annually;

(3) actual collection data from boat wrap recycling or stewardship programs operating in other states; and

(4) continuous progress necessary to meet the requirements in paragraph (c).

(c) By June 1, 2030, no less than 50 percent of the total weight of boat wrap sold in this state must be collected and recycled. By June 1, 2035, no less than 80 percent of the total weight of boat wrap sold in this state must be collected and recycled.

(d) After June 1, 2035, the commissioner may establish additional requirements for the percentage of boat wrap sold in the state that must be collected and recycled. The requirements must not be less than those listed in this subdivision and must be based on the factors in paragraph (b), clauses (1) to (3).

Subd. 13. **Administrative fee.** (a) A stewardship organization must pay an annual administrative fee to the commissioner. Before June 1, 2025, and before each June 1 thereafter, the commissioner must identify the costs the agency incurs to administer and enforce this section. The commissioner must set the fee at an amount that, when paid by the stewardship organization, is sufficient to reimburse the agency's full costs of administering and enforcing this section but does not exceed those costs.

(b) A stewardship organization must pay the administrative fee required under this subdivision on or before July 1, 2025, and annually thereafter, on a schedule and in a manner prescribed by the commissioner.

(c) The commissioner must deposit all fees received under this subdivision in the account established in subdivision 15.

Subd. 14. **User fees prohibited.** The stewardship program must be fully paid for by producers, without any fee, charge, surcharge, or any other cost to members of the public, businesses other than a producer, persons managing boat wrap, the state or any political subdivision, or any other person who is not a producer.

Subd. 15. **Account established.** (a) A boat wrap stewardship account is established in the special revenue fund in the state treasury. The account consists of money received from the administrative fee established in subdivision 13. The commissioner must manage the account.

(b) Money in the account is appropriated annually to the commissioner for administering and enforcing this section.

Subd. 16. **Stewardship reports.** Beginning March 1, 2026, and each March 1 thereafter, a stewardship organization operating under this section must submit an annual report to the commissioner describing the program operations of the stewardship plan during the previous calendar year. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, reuse, and recycle discarded boat wrap in all regions of the state;

(2) the weight of all boat wrap collected and recycled in each separate region of the state;

(3) the weight of all boat wrap sold in the state;

(4) the weight of discarded boat wrap collected in the state by method of disposition, including recycling, reuse, disposal of residuals, and other methods of processing;

(5) a comparison of the amount of boat wrap collected and recycled with the performance goals established according to subdivision 12 and, if the goals have not been met, a discussion of why the performance goals were not met and proposed modifications to the collection program the stewardship organization will implement to ensure that future performance goals will be met;

(6) samples of educational materials provided to boat wrap consumers, marinas, and boat storage establishments and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(7) an independent financial audit of stewardship organization activities performed by an independent auditor. The independent auditor must be selected by the stewardship organization and approved or rejected by the commissioner. If the commissioner rejects an independent auditor, the operator must select a different independent auditor for approval or rejection by the commissioner. The independent audit must meet the requirements of Accounting Standards Update 2018-08, Not-for-Profit Entities (Topic 958), Financial Accounting Standards Board, as amended.

Subd. 17. **Data classification.** Trade secret and sales information, as defined under section 13.37, submitted to the commissioner under this section are private or nonpublic data under section 13.37.

Subd. 18. **Duty to provide information.** Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

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

Sec. 10. **[115A.412] WASTE COMPOSITION; INFORMATION REQUIRED.**

Subdivision 1. **Study required.** (a) Every three years, beginning in 2029, the commissioner must direct the owners and operators at 20 percent of each of the following facility types to perform a waste composition study:

(1) mixed municipal solid waste land disposal facilities;

(2) industrial solid waste land disposal facilities;

(3) demolition debris land disposal facilities;

(4) transfer stations that annually transfer more than 5,000 tons of waste to a facility outside Minnesota; and

(5) other facilities identified by the commissioner.

(b) The waste composition study must be performed at the sole expense of each owner or operator as directed by the commissioner.

(c) When selecting facilities for waste composition studies, the commissioner must rotate the participants so that, over time, the studies cover the entirety of the facilities identified under paragraph (a). The commissioner must determine the time frame for each study in the three-year cycle. The owner or operator of each selected facility must complete the study within one year of being notified by the commissioner of selection to perform a waste composition study.

Subd. 2. **Study requirements.** (a) The commissioner must:

(1) determine the sampling methods to be used and the categories of materials to be sampled for waste composition studies; and

(2) provide the sampling methods and any additional requirements identified by the commissioner to each owner or operator directed to perform a study.

(b) The sampling methods must include the number of samples to be taken, the size or weight of each sample, the duration of a sampling event, the sampling interval, and any additional methods identified by the commissioner. The categories of materials to be sampled must include categories and subcategories identified by the commissioner to represent the materials present at each facility.

(c) Resource recovery facilities required to do waste sorts required under air rules adopted under section 116.07 must use the study requirements developed under this section when conducting waste composition analysis to meet the rule requirements.

(d) The commissioner must obtain input from counties, cities, and owners or operators of waste facilities before finalizing the sampling methods and requirements. The commissioner must consider cost effectiveness and data quality when determining the sampling methods.

Subd. 3. **Report.** Within six months after completing a waste composition study required under this section, the owner or operator of a facility must submit the raw data and results of the study to the commissioner in a form and manner prescribed by the commissioner.

Subd. 4. **Compilation.** After each three-year cycle, the commissioner must compile and summarize the waste composition data received under subdivision 3. The commissioner must make the summary information available to the public.

Subd. 5. **Additional studies; information.** (a) The commissioner may conduct additional waste composition studies at facilities described in subdivision 1.

(b) Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

(c) The owner or operator of a facility shall allow access upon reasonable notice to authorized agency staff for the purpose of conducting waste composition studies.

Sec. 11. Minnesota Statutes 2022, section 115A.5502, is amended to read:

115A.5502 PACKAGING PRACTICES; PREFERENCES; GOALS.

Packaging forms a substantial portion of solid waste and contributes to environmental degradation and the costs of managing solid waste. It is imperative to reduce the amount and toxicity of packaging that must be managed as solid waste. In order to achieve significant reduction of packaging in solid waste ~~and to assist packagers and others to meet the packaging reduction goal in section 115A.5501~~, the goal of the state is that items be distributed without any packaging where feasible and, only when necessary to protect health and safety or product integrity, with the minimal amount of packaging possible. The following categories of packaging are listed in order of preference for use by all persons who find it necessary to package items for distribution or use in the state:

(1) minimal packaging that contains no intentionally introduced toxic materials and that is designed to be and actually is reused for its original purpose at least five times;

(2) minimal packaging that contains no intentionally introduced toxic materials and consists of a significant percentage of postconsumer material;

(3) minimal packaging that contains no intentionally introduced toxic materials, that is recyclable, and is regularly collected through recycling collection programs available to at least 75 percent of the residents of the state;

(4) minimal packaging that does not comply with clause (1), (2), or (3) because it is required under federal or state law and for which there does not exist a commercially feasible alternative that does comply with clause (1), (2), or (3);

(5) packaging that contains no intentionally introduced toxic materials but does not comply with clauses (1) to (4); and

(6) all other packaging.

Sec. 12. Minnesota Statutes 2022, section 115B.421, is amended to read:

115B.421 CLOSED LANDFILL INVESTMENT FUND.

Subdivision 1. **Establishment.** (a) The closed landfill investment fund is established in the state treasury. The fund consists of money credited to the fund and interest and other earnings on money in the fund. Funds must be deposited as described in section 115B.445. The fund must be managed to maximize long-term gain through the State Board of Investment.

(b) Each fiscal year, up to $4,500,000 is appropriated from the closed landfill investment fund to the commissioner for the purposes of sections 115B.39 to 115B.444.

(c) If the commissioner determines that a release or threatened release from a qualified facility for which the commissioner has assumed obligations for environmental response actions under section 115B.40 or 115B.406 constitutes an emergency requiring immediate action to prevent, minimize, or mitigate damage either to the public health or welfare or the environment or to a system designed to protect the public health or welfare or the environment, up to $9,000,000 in addition to the amount appropriated under paragraph (b) is appropriated to the commissioner in the first year of the biennium and may be spent by the commissioner to take reasonable and necessary emergency response actions. Money not spent in the first year of the biennium may be spent in the second year. If money is appropriated under this paragraph, the commissioner must notify the chairs of the senate and house of representatives committees having jurisdiction over environment policy and finance as soon as possible. The commissioner must maintain the fund balance to ensure long-term viability of the fund and reflect the responsibility of the landfill cleanup program in perpetuity.

(d) Paragraphs (b) and (c) expire June 30, 2025.

Subd. 2. **Local notification.** If money in the closed landfill investment fund is spent or transferred for purposes other than the purposes provided under sections 115B.39 to 115B.444, the commissioner must provide written notification to each county with a qualified facility within 30 days of the transfer or expenditure that includes the amount, purpose, and authority used to spend or transfer the money.

Sec. 13. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 4n. **Compliance protocols.** (a) The commissioner must develop a compliance protocol for use under this subdivision, consisting of:

(1) methods the agency requires a facility to employ to physically measure the actual emissions of each air toxic emitted by the facility; and

(2) the frequency with which the facility must employ each method.

(b) Methods of physical measurement the agency may require include but are not limited to:

(1) continuous emission monitoring systems;

(2) performance tests;

(3) ambient monitoring near the facility;

(4) portable monitoring units that have been calibrated with performance tests or continuous emission monitors; and

(5) any other physical method of measuring actual emissions that the commissioner determines is accurate and technically and physically feasible.

(c) For violations of state and federal air pollution laws involving emissions of hazardous air pollutants, the commissioner may require a compliance protocol as part of a state individual air quality permit issued in response to an enforcement action.

(d) The commissioner may require a facility to employ quality control measures and procedures to ensure that pollution control equipment and emissions monitoring equipment are properly calibrated, operated, and maintained to ensure accuracy.

(e) For the purposes of this subdivision, "state individual air quality permit" means an air quality permit that:

(1) is issued to an individual facility that is required to obtain a permit under Minnesota Rules, part 7007.0250, subparts 2 to 6; and

(2) is not a general permit issued under Minnesota Rules, part 7007.1100.

(f) Beginning January 15, 2025, the commissioner must annually submit a report to the chairs and ranking minority members of the environment and natural resources finance and policy committees on the use of compliance protocols over the preceding year.

Sec. 14. Minnesota Statutes 2022, section 116.07, subdivision 9, is amended to read:

Subd. 9. **Orders; investigations.** The ~~agency shall have~~ commissioner has the following powers and duties for ~~the enforcement of~~ enforcing any provision of this chapter and chapter 114C, relating to air contamination or waste:

(1) to adopt, issue, reissue, modify, deny, revoke, reopen, enter into or enforce reasonable orders, schedules of compliance and stipulation agreements;

(2) to require the owner or operator of any emission facility, air contaminant treatment facility, potential air contaminant storage facility, or any system or facility related to the storage, collection, transportation, processing, or disposal of waste to establish and maintain records; to make reports; to install, use, and maintain monitoring equipment or methods; and to make tests, including testing for odor where a nuisance may exist, in accordance with methods, at locations, at intervals, and in a manner as the agency shall prescribe; and to provide other information as the agency may reasonably require;

(3) to conduct investigations, issue notices, public and otherwise, and order hearings as it may deem necessary or advisable for the discharge of its duties under this chapter and chapter 114C, including but not limited to the issuance of permits; and to authorize any member, employee, or agent appointed by it to conduct the investigations and issue the notices~~.~~; and

(4) when appropriate, requiring parties who enter into a negotiated agreement to settle an enforcement matter with the agency to reimburse the agency for oversight costs. The agency may recover oversight costs only if the agency's costs exceed $25,000. If oversight costs exceed $25,000, the agency may recover all the oversight costs incurred by the agency that are associated with implementing the negotiated agreement. Oversight costs may include but are not limited to any costs associated with inspections, sampling, monitoring, modeling, risk assessment, permit writing, engineering review, economic analysis and review, and other record or document review. Estimates of anticipated oversight costs must be disclosed in the negotiated agreement, and estimates must be periodically updated and disclosed to the parties to the negotiated agreement. The agency's legal and litigation costs are not recoverable under this clause. In addition to settlement agreements, the commissioner has discretion as to whether to apply this clause in cases where the agency is using schedules of compliance to bring a class of regulated parties into compliance.

Sec. 15. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 9a. **Stipulation agreements.** If a party to a stipulation agreement asserts a good cause or force majeure claim for an extension of time to comply with a stipulated term, the commissioner may deny the extension if the assertion is based solely on increased costs of compliance.

Sec. 16. Minnesota Statutes 2022, section 116.072, subdivision 2, is amended to read:

Subd. 2. **Amount of penalty; considerations.** (a) The commissioner or county board may issue orders assessing penalties up to ~~$20,000~~ $25,000 for violations identified during an inspection or other compliance review.

(b) In determining the amount of a penalty, the commissioner or county board ~~may~~ must consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations;

(4) the number of violations;

(5) the economic benefit gained by the person by allowing or committing the violation; and

(6) other factors as justice may require, if the commissioner or county board specifically identifies the additional factors in the commissioner's or county board's order.

(c) For a violation after an initial violation, the commissioner or county board ~~shall~~ must, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

(1) similarity of the most recent previous violation and the violation to be penalized;

(2) time elapsed since the last violation;

(3) number of previous violations; and

(4) response of the person to the most recent previous violation identified.

Sec. 17. Minnesota Statutes 2022, section 116.072, subdivision 5, is amended to read:

Subd. 5. **Penalty.** (a) Except as provided in paragraph (b), if the commissioner or county board determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner or county board showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's or county board's determination under subdivision 4, paragraph (b), if the person subject to the order has provided information to the commissioner or county board that the commissioner or county board determines is not sufficient to show the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For a repeated or serious violation, the commissioner or county board may issue an order with a penalty that will not be forgiven after the corrective action is taken. A penalty for a repeated violation that occurs within 36 months after one or more previous violations must be at least ten percent higher than the penalty imposed for the most recent violation, except the amount must not exceed the maximum penalty established in subdivision 2. The penalty is due by 31 days after the order was received unless review of the order under subdivision 6, 7, or 8 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty was received.

Sec. 18. Minnesota Statutes 2022, section 116.11, is amended to read:

116.11 EMERGENCY POWERS.

Subdivision 1. **Imminent and substantial danger.** If there is imminent and substantial danger to the health and welfare of the people of the state, or of any of them, as a result of the pollution of air, land, or water, the ~~agency~~ commissioner may by emergency order direct the immediate discontinuance or abatement of the pollution without notice and without a hearing or at the request of the ~~agency~~ commissioner, the attorney general may bring an action in the name of the state in the appropriate district court for a temporary restraining order to immediately abate or prevent the pollution. The ~~agency~~ commissioner's order or temporary restraining order ~~shall remain~~ is effective until notice, hearing, and determination pursuant to other provisions of law, or, in the interim, as otherwise ordered. A final order of the ~~agency~~ commissioner in these cases ~~shall be~~ is appealable in accordance with chapter 14.

Subd. 2. **Other acts of concern.** (a) The commissioner may exercise the authority under paragraph (b) when the commissioner has evidence of any of the following:

(1) falsification of records;

(2) a history of noncompliance with schedules of compliance or terms of a stipulation agreement;

(3) chronic or substantial permit violations; or

(4) operating with or without a permit where there is evidence of danger to the health or welfare of the people of the state or evidence of environmental harm.

(b) When the commissioner has evidence of behavior specified in paragraph (a), regardless of the presence of imminent and substantial danger, the commissioner may investigate and may:

(1) suspend or revoke a permit;

(2) issue an order to cease operation or activities;

(3) require financial assurances;

(4) reopen and modify a permit to require additional terms;

(5) require additional agency oversight; or

(6) pursue other actions deemed necessary to abate pollution and protect human health.

Sec. 19. **[116.2021] STATE SALT PURCHASE REPORT AND REDUCTION GOAL.**

Subdivision 1. **Definition.** For the purposes of this section, "deicing salt" refers to salt in its solid form used to melt snow and ice, excluding salt used on roads managed by the Department of Transportation.

Subd. 2. **Salt purchase report.** By February 1, 2025, and every year thereafter, the commissioner of the Pollution Control Agency, in cooperation with other state agencies, must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance that details the purchase of deicing salt by state agencies, excluding the Department of Transportation, and strategies to meet the salt reduction goal established in subdivision 3.

Subd. 3. **Reduction goal.** It is the goal of the state that no later than January 1, 2030, state agencies will reduce the purchase of deicing salt by 25 percent from the level first reported under subdivision 2.

Subd. 4. **Sunset.** This section expires January 1, 2030.

Sec. 20. **[116.2022] STATE NITROGEN FERTILIZER PURCHASE REPORT AND REDUCTION GOAL.**

Subdivision 1. **Nitrogen fertilizer report.** By February 1, 2025, and every year thereafter, the commissioner of the Pollution Control Agency, in cooperation with other state agencies, must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance that details the purchase of nitrogen fertilizer by state agencies and strategies to meet the nitrogen fertilizer reduction goal established in subdivision 2.

Subd. 2. **Reduction goal.** It is the goal of the state that no later than January 1, 2030, state agencies will reduce the purchase of nitrogen fertilizer by 25 percent from the level first reported under subdivision 1.

Subd. 3. **Sunset.** This section expires January 1, 2030.

Sec. 21. **[116.391] RESILIENT COMMUNITY ASSISTANCE PROGRAM.**

Subdivision 1. **Citation.** This section may be cited as the "Minnesota Resilient Community Act."

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

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Local government unit" means any unit of government other than a state or federal unit of government and includes watershed districts established according to chapter 103D, soil and water conservation districts, watershed management organizations, counties, towns, cities, port authorities, housing authorities, regional development commissions, school districts, and the Metropolitan Council.

(d) "Tribal government" means any of the Minnesota Tribal governments defined under section 10.65, subdivision 2, clause (4), and includes Tribal organizations designated by any of the Minnesota Tribal governments.

Subd. 3. **Establishment.** (a) The commissioner must establish a resilient community assistance program to:

(1) assist local government units, Tribal governments, and other relevant organizations as determined by the commissioner in adapting to and developing community resilience to impacts of climate change;

(2) help coordinate climate adaptation planning, implementation, and evaluation efforts among state agencies, local government units, Tribal governments, and other relevant organizations; and

(3) address inequities due to social, economic, historical, and political factors that result in some communities having less ability to prepare for, cope with, and recover from impacts of climate change.

(b) To address inequities under paragraph (a), clause (3), the commissioner must seek input and collaboration from disproportionately impacted communities.

Subd. 4. **Program elements.** The resilient community assistance program may include but is not limited to:

(1) developing, assembling, and disseminating information on climate adaptation and resilience;

(2) technical assistance for climate adaptation and resilience;

(3) financial assistance programs that provide grants or loans for resilience planning and for implementing climate adaptation and resilience actions, coordinated with the Public Facilities Authority, as necessary, for state bond-funded projects;

(4) outreach, including seminars, workshops, training programs, and other similar activities, designed to provide education and information on climate adaptation and resilience to local government units, Tribal governments, and other relevant organizations as determined by the commissioner;

(5) coordinating, implementing, and measuring progress on climate adaptation and resilience and measuring local government and Tribal government climate adaptation in Minnesota; and

(6) other efforts needed to support climate adaptation and community resilience in Minnesota as determined by the commissioner.

Subd. 5. **Administration.** (a) In administering the program, the commissioner may coordinate with administrators of other public and private programs that provide technical and financial assistance to local government units, Tribal governments, and other relevant organizations that receive assistance under this section.

(b) The commissioner may make grants to or enter into contracts with public or private entities to operate elements of the program. Grantees under this paragraph must provide the commissioner with periodic reports on their efforts to assist in administering the program.

(c) When operating or participating in elements of the program according to a grant or contract under paragraph (b), a person is an employee of the state who is certified to be acting within the scope of employment for purposes of indemnification under section 3.736, subdivision 9, for claims that arise out of the information, assistance, and recommendations covered by the grant or contract. The state is not obligated to defend or indemnify a grantee or contractor under this subdivision to the extent of the grantee's or contractor's liability insurance. The grantee's or contractor's right to indemnity is not a waiver of limitations, defenses, and immunities available to either the grantee or contractor or the state by law.

Subd. 6. **Award for excellence in community resilience.** The governor or commissioner may issue annual awards in the form of a commendation for excellence in climate adaptation and resilience. The commissioner must administer applications for the awards.

Sec. 22. Minnesota Statutes 2022, section 116.92, is amended by adding a subdivision to read:

Subd. 7b. **Ban; mercury-containing general purpose lighting.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "compact fluorescent lamp" means a compact low-pressure, mercury-containing, electric-discharge light source:

(i) of any tube diameter or tube length;

(ii) of any lamp size or shape for directional and nondirectional installations, including but not limited to PL, spiral, twin tube, triple twin, 2D, U-bend, and circular;

(iii) in which a fluorescent coating transforms some of the ultraviolet energy generated by the mercury discharge into visible light;

(iv) that has one base or end cap of any type, including but not limited to screw, bayonet, two pins, and four pins;

(v) that is integrally ballasted or non-integrally ballasted; and

(vi) that has light emission between a correlated color temperature of 1700K and 24000K and a Duv of +0.024 and -0.024 in the International Commission on Illumination (CIE) Uniform Color Space (CAM02-UCS);

(2) "linear fluorescent lamp" means a low-pressure, mercury-containing, electric-discharge light source:

(i) of any tube diameter, including but not limited to T5, T8, T10, and T12;

(ii) with a tube length from 0.5 to 8.0 feet, inclusive;

(iii) of any lamp shape, including but not limited to linear, U-bend, and circular;

(iv) in which a fluorescent coating transforms some of the ultraviolet energy generated by the mercury discharge into visible light;

(v) that has two bases or end caps of any type, including but not limited to single-pin, two-pin, and recessed double contact; and

(vi) that has light emission between a correlated color temperature of 1700K and 24000K and a Duv of +0.024 and -0.024 in the CIE CAM02-UCS;

(3) "mercury vapor lamp" means a high-intensity discharge lamp, including clear, phosphor-coated, and self-ballasted screw base lamps, in which the major portion of the light is produced by radiation from mercury typically operating at a partial vapor pressure in excess of 100,000 pascals;

(4) "mercury vapor lamp ballast" means a device that is designed and marketed to start and operate mercury vapor lamps intended for general illumination by providing the necessary voltage and current; and

(5) "specialty application mercury vapor lamp ballast" means a mercury vapor lamp ballast:

(i) that is designed and marketed for operating mercury vapor lamps used in quality inspection, industrial processing, or scientific applications, including fluorescent microscopy and ultraviolet curing; and

(ii) the label of which states "For specialty applications only, not for general illumination" and indicates the specific applications for which the ballast is designed.

(b) Effective January 1, 2025, a person may not sell, offer for sale, or distribute in the state as a new manufactured product a screw- or bayonet-base type compact fluorescent lamp, a mercury vapor lamp, or a mercury vapor lamp ballast, whether sold separately, in a retrofit kit, or in a luminaire. Effective January 1, 2026, a person may not sell, offer for sale, or distribute in the state as a new manufactured product a pin-base type compact fluorescent lamp or a linear fluorescent lamp.

(c) This subdivision does not apply to:

(1) a lamp designed and marketed exclusively for image capture and projection, including for:

(i) photocopying;

(ii) printing, directly or in preprocessing;

(iii) lithography;

(iv) film and video projection; or

(v) holography;

(2) a lamp that has a high proportion of ultraviolet light emission and that:

(i) has high ultraviolet content and ultraviolet power greater than two milliwatts per kilolumen;

(ii) is for germicidal use, such as for destroying DNA, and emits a peak radiation of approximately 253.7 nanometers;

(iii) is designed and marketed exclusively for disinfection or fly-trapping and from which:

(A) the radiation power emitted between 250 and 315 nanometers represents at least five percent of the total radiation power emitted between 250 and 800 nanometers; or

(B) the radiation power emitted between 315 and 400 nanometers represents at least 20 percent of the total radiation power emitted between 250 and 800 nanometers;

(iv) is designed and marketed exclusively for generating ozone when the primary purpose is to emit radiation at approximately 185.1 nanometers;

(v) is designed and marketed exclusively for coral zooxanthellae symbiosis and from which the radiation power emitted between 400 and 480 nanometers represents at least 40 percent of the total radiation power emitted between 250 and 800 nanometers; or

(vi) is designed and marketed exclusively for use in a sunlamp product, as defined in Code of Federal Regulations, title 21, section 1040.20(b)(9) (2022);

(3) specialty application mercury vapor lamp ballasts; or

(4) a compact fluorescent lamp used to replace a lamp in a motor vehicle if the motor vehicle was manufactured on or before January 1, 2020.

(d) Nothing in this section limits the ability of a utility to offer energy-efficient lighting, rebates, or lamp-recycling services or to claim energy savings resulting from such programs through the utility's energy conservation and optimization plans approved by the commissioner of commerce under section 216B.241 or an energy conservation and optimization plan filed by a consumer-owned utility under section 216B.2403.

Sec. 23. Minnesota Statutes 2022, section 116D.02, subdivision 2, is amended to read:

Subd. 2. **State responsibilities.** In order to carry out the policy set forth in Laws 1973, chapter 412, it is the continuing responsibility of the state government to use all practicable means, consistent with other essential considerations of state policy, to improve and coordinate state plans, functions, programs and resources to the end that the state may:

(1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;

(2) assure for all people of the state safe, healthful, productive, and aesthetically and culturally pleasing surroundings;

(3) discourage ecologically unsound aspects of population, economic and technological growth, and develop and implement a policy such that growth occurs only in an environmentally acceptable manner;

(4) preserve important historic, cultural, and natural aspects of our national heritage, and maintain, wherever practicable, an environment that supports diversity, and variety of individual choice;

(5) encourage, through education, a better understanding of natural resources management principles that will develop attitudes and styles of living that minimize environmental degradation;

(6) develop and implement land use and environmental policies, plans, and standards for the state as a whole and for major regions thereof through a coordinated program of planning and land use control;

(7) define, designate, and protect environmentally sensitive areas;

(8) establish and maintain statewide environmental information systems sufficient to gauge environmental conditions;

(9) practice thrift in the use of energy and maximize the use of energy efficient systems for ~~the utilization of~~ producing, distributing, and using energy, including recovering and reusing waste heat, and minimize the environmental impact from energy production and use;

(10) preserve important existing natural habitats of rare and endangered species of plants, wildlife, and fish, and provide for the wise use of our remaining areas of natural habitation, including necessary protective measures where appropriate;

(11) reduce wasteful practices which generate solid wastes;

(12) minimize wasteful and unnecessary depletion of nonrenewable resources;

(13) conserve natural resources and minimize environmental impact by encouraging ~~extension of~~ extended product ~~lifetime, by~~ lifetimes; reducing ~~the number of~~ unnecessary and wasteful materials practices~~,~~; and ~~by~~ recycling materials, water, and energy to conserve both materials and energy;

(14) improve management of renewable resources in a manner compatible with environmental protection;

(15) provide for reclamation of mined lands and assure that any mining is accomplished in a manner compatible with environmental protection;

(16) reduce the deleterious impact on air and water quality from all sources, including the deleterious environmental impact due to operation of vehicles with internal combustion engines in urbanized areas;

(17) minimize noise, particularly in urban areas;

(18) prohibit, where appropriate, floodplain development in urban and rural areas; and

(19) encourage advanced waste treatment in abating water pollution.

Sec. 24. Minnesota Statutes 2022, section 473.845, is amended by adding a subdivision to read:

Subd. 3a. **Local notification.** If money in the metropolitan landfill contingency action trust account is spent or transferred for purposes other than the purposes provided under this section, the commissioner must provide written notification to each county with a facility eligible for spending from the metropolitan landfill contingency action trust account within 30 days of the transfer or expenditure that includes the amount, purpose, and authority used to spend or transfer the money.

Sec. 25. Laws 2023, chapter 60, article 3, section 35, is amended to read:

Sec. 35. **RESOURCE MANAGEMENT; REPORT.**

(a) By ~~July 15, 2025~~ January 15, 2026, the commissioner of the Pollution Control Agency must conduct a study and prepare a report that includes a pathway to implement resource management policies, programs, and infrastructure. The commissioner must submit the report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environmental policy and finance and energy policy. The report must include:

(1) an overview of how municipal solid waste is currently managed, including how much material is generated in the state and is reused, recycled, composted, digested, or disposed of;

(2) a summary of infrastructure, programs, policies, and resources needed to reduce the amount of materials disposed of in landfills or incinerators statewide by more than 90 percent over a 2021 baseline by 2045 or sooner. The summary must include analysis and recommendations of scenarios above Waste-to-Energy on the state's Waste Hierarchy that maximizes the environmental benefits when meeting the 90 percent reduction target;

(3) an analysis of:

(i) waste prevention program impacts and opportunities;

(ii) how much additional capacity is needed after prevention for reuse, recycling, composting, and anaerobic digestion systems to achieve that goal; and

(iii) what steps can be taken to implement that additional capacity, including working collaboratively with local governments, industry, and community-based organizations to invest in such facilities and to work together to seek additional state and federal funding assistance;

(4) strategic programmatic, regulatory, and policy initiatives that will be required to produce source reduction, rethink and redesign products and packaging to more efficiently use resources, and maximize diversion from disposal of materials in a way that prevents pollution and does not discharge to land, water, or air or threaten the environment or human health;

(5) recommendations for reducing the environmental and human health impacts of waste management, especially across environmental justice areas as defined under Minnesota Statutes, section 115A.03, and ensuring that the benefits of these resource management investments, including the creation of well-paying green jobs, flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution and that land, water, air, and climate impacts are considered; and

(6) a review of feasibility, assumptions, costs, and milestones necessary to meet study goals.

(b) The commissioner must obtain input from counties and cities inside and outside the seven-county metropolitan area; reuse, recycling, and composting facilities; anaerobic digestion facilities; waste haulers; environmental organizations; community-based organizations; Tribal representatives; and diverse communities located in environmental justice areas that contain a waste facility. The commissioner must provide for an open public comment period of at least 60 days on the draft report. Written public comments and commissioner responses to all those comments must be included in the final report.

Sec. 26. Laws 2023, chapter 60, article 8, section 6, subdivision 9, is amended to read:

Subd. 9. **Report to legislature.** No later than ~~March~~ February 15, ~~2025~~ 2026, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and finance on the results of the grant program, including:

(1) any changes in the agency's air-monitoring network that will occur as a result of data developed under the program;

(2) any actions the agency has taken or proposes to take to reduce levels of pollution that impact the areas that received grants under the program; and

(3) any recommendations for legislation, including whether the program should be extended or expanded.

Sec. 27. **SEWAGE SLUDGE FOR LAND APPLICATION ANALYZED FOR PFAS.**

The commissioner of the Pollution Control Agency must develop a strategy to require sewage sludge prepared for application to land in Minnesota to be analyzed under Minnesota Rules, part 7041.1500, subpart 3, for the presence of perfluoroalkyl and polyfluoroalkyl substances (PFAS) by December 31, 2024, and begin implementing this strategy in water discharge permits thereafter.

Sec. 28. **CRITICAL MATERIALS RECOVERY ADVISORY TASK FORCE.**

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

(1) "critical materials" means materials on the final 2023 Critical Materials List published by the United States Secretary of Energy in the Federal Register on August 4, 2023, as amended, as required under section 7002 of the Energy Act of 2020; and

(2) "recovery" means the deployment of technological processes to extract and remove critical materials from waste streams with the goal of reconstituting them in a pure form that can be reused.

Subd. 2. **Composition of task force.** (a) The commissioner of the Pollution Control Agency must, no later than October 1, 2024, establish and appoint a Critical Materials Recovery Advisory Task Force consisting of 15 members appointed as follows:

(1) the commissioner of the Pollution Control Agency or the commissioner's designee;

(2) the commissioner of employment and economic development or the commissioner's designee;

(3) an expert in one or more subjects that are relevant to the work of the task force;

(4) one representative from the Solid Waste Administrators Association;

(5) one representative from a company that disassembles electronic waste;

(6) one representative from an energy advocacy organization;

(7) one representative from an organization that is primarily involved in environmental justice issues;

(8) one representative from an industrial labor union;

(9) one representative from a labor union affiliated with the Building and Construction Trades Council;

(10) one representative from a manufacturer that uses critical materials as inputs;

(11) one representative from the Minnesota Indian Affairs Council;

(12) one representative from an electronics manufacturer that operates an e-waste recycling program and is also an electronics retailer;

(13) one representative from the Natural Resources Research Institute in Duluth;

(14) one representative of a utility providing retail electric service to customers in Minnesota; and

(15) one representative from a recovery infrastructure operator, who is a nonvoting member of the task force.

(b) A member appointed under paragraph (a) may not be a registered lobbyist.

Subd. 3. **Duties.** (a) The task force must advise the commissioner of the Pollution Control Agency with respect to policy and program options designed to increase the recovery of critical materials from end-of-life products by:

(1) developing a strategic road map for achieving domestic recovery of critical materials;

(2) investigating emerging technologies employed to recover critical materials from electronic waste, components of renewable energy generating systems, and other end-of-life products;

(3) evaluating the economic, environmental, and social costs, benefits, and impacts associated with various methods of recovering critical materials from end-of-life products;

(4) identifying options to prevent products containing critical materials from being disposed of in a landfill or waste combustor;

(5) consulting with stakeholders regarding recycling and end-of-life management options for products containing critical materials that enhance the possibility of recovery; and

(6) identifying infrastructure needed to develop an integrated system to collect, transport, and recycle products for critical materials recovery.

(b) The task force must convene at least one public meeting to gather comments on issues regarding critical materials recovery.

Subd. 4. **Task force; administration.** (a) The task force must elect a chair by majority vote at its initial meeting. The task force must meet quarterly. Additional meetings may be held at the call of the chair. The commissioner or the commissioner's designee and the member appointed under subdivision 2, paragraph (a), clause (3), must cofacilitate task force meetings.

(b) The Pollution Control Agency must serve as staff to the task force.

Subd. 5. **Report.** No later than December 30, 2025, the task force must submit a written report containing its findings and recommendations for administrative and legislative action to the commissioner of the Pollution Control Agency and the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over solid waste. The recommendations in the report must be specific and actionable and may not include recommendations for further reports or studies. The task force expires December 30, 2025, or upon submission of the report required by this subdivision, whichever occurs first.

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

Sec. 29. **MINNESOTA POLLUTION CONTROL AGENCY AND DEPARTMENT OF HEALTH; PFAS REMOVAL REPORT.**

(a) By January 15, 2025, the commissioners of the Pollution Control Agency and health must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance and policy, environment and natural resources finance and policy, and capital investment. The report must provide recommendations for:

(1) strategies or fee mechanisms the state may use to require companies that manufacture, use, or release perfluoroalkyl and polyfluoroalkyl substances (PFAS) to pay for the cost of providing safe drinking water to people that have had their private and public water sources contaminated by PFAS; and

(2) strategies or fee mechanisms the state may use to require companies that manufacture, use, or release PFAS to:

(i) prevent or remove PFAS from influent waters entering municipal wastewater facilities so that treatment of effluent is not required; or

(ii) pay the cost of treating and disposing of the PFAS from municipal wastewater facilities effluent.

(b) The report must include recommendations for any legislation needed to implement the strategies or fee mechanisms. The report must consider options from the report submitted by the PFAS manufacturers fee work group required under Laws 2023, chapter 60, article 3, section 30, in developing the recommendations. The recommendations in the report must be specific and actionable and may not include recommendations for further reports or studies.

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

Sec. 30. **POSTCLOSURE CARE SOLID WASTE DISPOSAL FACILITIES; RULEMAKING.**

(a) The commissioner of the Pollution Control Agency must amend rules related to solid waste disposal facilities to require the commissioner's approval to terminate the postclosure care period.

(b) The commissioner may use the good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 31. **RECOMMENDATIONS FOR PRODUCTS CONTAINING LEAD, CADMIUM, AND PFAS; ENFORCEMENT MORATORIUM.**

(a) By January 31, 2025, the commissioner of the Pollution Control Agency must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources finance and policy with legislative recommendations related to the following chemicals and products:

(1) the use of intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS) in electronic or other internal components of upholstered furniture in the 2025 prohibition under Minnesota Statutes, section 116.943;

(2) the use of lead and cadmium in internal electronic components of keys fobs in the prohibition under Minnesota Statutes, section 325E.3892;

(3) the use of lead in pens or mechanical pencils included in the prohibition under Minnesota Statutes, section 325E.3892; and

(4) the use of intentionally added PFAS in firefighting foam used in fire suppression systems installed in airport hangers in the prohibitions under Minnesota Statutes, section 325F.072.

(b) The report required by paragraph (a) must include recommendations on whether extensions should be allowed for the uses of the chemicals described in paragraph (a).

(c) Until July 1, 2025, the commissioner of the Pollution Control Agency must not enforce the provisions enumerated in paragraph (a) for the chemicals and products listed in that paragraph.

Sec. 32. **RULEMAKING; CAPITAL ASSISTANCE PROGRAM.**

The commissioner of the Pollution Control Agency must, using the expedited rulemaking process in Minnesota Statutes, section 14.389, amend the rules related to the capital assistance program in Minnesota Rules, parts 9210.0100 to 9210.0180, to conform with and implement the changes made in Minnesota Statutes, sections 115A.03 and 115A.49 to 115A.54 by Laws 2023, chapter 60, article 3, sections 6 and 9 to 13.

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

Sec. 33. **RESEARCHING CLIMATE ADAPTATION AND RESILIENCE COSTS FOR MINNESOTA.**

(a) The commissioner of the Pollution Control Agency must research and report the projected costs in Minnesota of climate change adaptation and resilience measures needed to mitigate the projected impacts for at least two different future scenarios using either the Shared Socioeconomic Pathways or Representative Concentration Pathways as described by the Intergovernmental Panel on Climate Change. The report must identify what research, data, modeling, stakeholder engagement, and other resources are needed in order to:

(1) estimate costs for mid-century, late-century, and end-of-century, using 2024 dollars as a baseline;

(2) estimate costs related to hazards, including but not limited to precipitation and heat and the impacts of precipitation and heat on soil and lakes;

(3) provide an analysis of the projected costs and impacts of additional hazards like flooding, drought, wildfires, high-wind events, extreme cold, and vector-borne illnesses;

(4) provide analyses of how these hazards and impacts are experienced differently by Minnesotans based on demographics, including race, gender, ability, and age, as well as economic status and geography; and

(5) identify methods for understanding and making decisions about the trade-offs between the financial and social costs to mitigate climate risks and the level of risk reduction achieved.

(b) The report must identify what research, data, modeling, stakeholder engagement, and other resources are needed in order to estimate the costs of impacts on:

(1) Minnesota's natural environment, including but not limited to impacts on:

(i) working lands and natural lands;

(ii) water, including but not limited to surface waters, rivers, drinking water, and Lake Superior;

(iii) air, including but not limited to surface temperature and air quality; and

(iv) the biodiversity of Minnesota's biomes;

(2) Minnesota's built environment, including but not limited to impacts on:

(i) residential, commercial, and public buildings; and

(ii) critical infrastructure, including but not limited to the infrastructure that manages stormwater, wastewater, drinking water, transportation, electricity, gas, and communications technologies; and

(3) Minnesota's social environment, including but not limited to impacts on:

(i) human settlement and migration;

(ii) statewide and regional economies, including but not limited to impacts on industries like tourism, agriculture, and forest products; and

(iii) public health, including but not limited to impacts related to emergency response, asthma, heat exposure, and vector-borne illnesses.

(c) The report should recommend best practices for integrating costs estimates with University of Minnesota's Minnesota CliMAT (Climate Mapping and Analysis Tool) or any related preceding or successor modeling tools.

(d) To prepare the report, the commissioner must engage subject-area experts and other stakeholders, as needed, to contribute to the report.

(e) By February 1, 2025, the commissioner shall submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy, environment, health, transportation, and capital investment summarizing the findings of the research.

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

Sec. 34. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 115A.03, subdivision 24c, as Minnesota Statutes, section 115A.03, subdivision 24e.

Sec. 35. **REPEALER.**

Minnesota Statutes 2022, section 115A.5501, is repealed.

ARTICLE 3
NATURAL RESOURCES

Section 1. **[11A.236] ACCOUNT TO INVEST FINANCIAL ASSURANCE MONEY FROM PERMITS TO MINE.**

Subdivision 1. **Establishment; appropriation.** (a) The State Board of Investment, when requested by the commissioner of natural resources, may invest money collected by the commissioner as part of financial assurance provided under a permit to mine issued under chapter 93. The State Board of Investment may establish one or more accounts into which money may be deposited for the purposes of this section, subject to the policies and procedures of the State Board of Investment. Use of any money in the account is restricted to the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under a permit to mine.

(b) Money in an account established under paragraph (a) is appropriated to the commissioner of natural resources for the purposes for which the account is established under this section.

Subd. 2. **Account maintenance and investment.** (a) The commissioner of natural resources may deposit money in the appropriate account and may withdraw money from the appropriate account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under the permit to mine for which the financial assurance is provided, subject to the policies and procedures of the State Board of Investment.

(b) Investment strategies related to an account established under this section must be determined jointly by the commissioner of natural resources and the executive director of the State Board of Investment. The authorized investments for an account are the investments authorized under section 11A.24 that are made available for investment by the State Board of Investment.

(c) Investment transactions must be at a time and in a manner determined by the executive director of the State Board of Investment. Decisions to withdraw money from the account must be determined by the commissioner of natural resources, subject to the policies and procedures of the State Board of Investment. Investment earnings must be credited to the appropriate account for financial assurance under the identified permit to mine.

(d) The commissioner of natural resources may terminate an account at any time, so long as the termination is in accordance with applicable statutes, rules, trust fund agreements, or other conditions established under the permit to mine, subject to the policies and procedures of the State Board of Investment.

Sec. 2. Minnesota Statutes 2022, section 13.7931, is amended by adding a subdivision to read:

Subd. 7. **Forest industry data.** Information that the Department of Natural Resources collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses is classified under section 84.0871.

Sec. 3. Minnesota Statutes 2022, section 16A.125, subdivision 5, is amended to read:

Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

(b) The commissioner of management and budget shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

(c) After a fiscal year, the commissioner of management and budget shall certify the costs incurred for forestry during that year under appropriations for the improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the lands. After presentation to the Legislative Permanent School Fund Commission or by June 30 each year, whichever is sooner, the commissioner of natural resources shall supply the commissioner of management and budget with the information needed for the certificate. The certificate shall include an analysis that compares costs certified under this section with costs incurred on other public and private lands with similar land assets.

(d) After a fiscal year, the commissioner shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(1) the amount of the certified costs incurred by the state for forest management, forest improvement, and road improvement during the fiscal year shall be transferred to the forest management investment account established under section 89.039;

(2) the amount of costs incurred by the Legislative Permanent School Fund Commission under section 127A.30, and by the school trust lands director under section 127A.353, shall be transferred to the general fund;

(3) the balance of the certified costs incurred by the state during the fiscal year shall be transferred to the general fund; and

(4) the balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

Sec. 4. Minnesota Statutes 2022, section 84.027, subdivision 12, is amended to read:

Subd. 12. **Property disposal; gift acknowledgment; advertising sales.** (a) The commissioner may recognize the contribution of money or in-kind services on plaques, signs, publications, audiovisual materials, and media advertisements by allowing the organization's contribution to be acknowledged in print of readable size.

(b) The commissioner may accept paid advertising for departmental publications. Advertising revenues received are appropriated to the commissioner to be used to defray costs of publications, media productions, or other informational materials. The commissioner may not accept paid advertising from any elected official or candidate for elective office.

(c) Notwithstanding section 16B.2975, subdivision 6, clause (2), if the commissioner determines that a transfer benefits the state's natural resources management or bison management, the commissioner may request that the commissioner of administration donate and convey bison to a governmental unit or nonprofit organization, in or outside Minnesota, or sell bison. The recipient of the bison is solely responsible for all future expenses related to the bison.

Sec. 5. Minnesota Statutes 2022, section 84.033, subdivision 3, is amended to read:

Subd. 3. **County approval.** The commissioner must follow the procedures under section 97A.145, subdivision 2, when acquiring land for designation as a scientific and natural area under this section located outside the seven-county metropolitan area.

Sec. 6. **[84.0871] DATA ON FOREST INDUSTRY.**

(a) The following data that the Department of Natural Resources collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses are classified as private data on individuals, as defined in section 13.02, subdivision 12, if the data are data on individuals or as nonpublic data, as defined in section 13.02, subdivision 9, if the data are data not on individuals:

(1) timber resource consumption;

(2) origin of timber resources;

(3) cost of delivered timber;

(4) forest industry product output; and

(5) production costs.

(b) Data that the department collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses and that are not specified under paragraph (a), clauses (1) to (5), are public data.

(c) Summary data, as defined in section 13.02, subdivision 19, that the department compiles from data under paragraph (a) or (b) are public data.

(d) Data collected, received, or maintained by the department from bidders on state timber under section 90.145 are not subject to this section.

Sec. 7. Minnesota Statutes 2022, section 84.0895, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** Notwithstanding any other law, a person may not take, import, transport, release, or sell any portion of an endangered or threatened species of wild animal or plant, or sell or possess with intent to sell an article made with any part of the skin, hide, or parts of an endangered or threatened species of wild animal or plant, except as provided in subdivisions 2 and 7.

Sec. 8. Minnesota Statutes 2022, section 84.0895, subdivision 8, is amended to read:

Subd. 8. **Application.** This section does not apply retroactively ~~or prohibit importation into this state and subsequent possession, transport, and sale of wild animals, wild plants, or parts of wild animals or plants that are legally imported into the United States or legally acquired and exported from another territory, state, possession, or political subdivision of the United States~~.

Sec. 9. **[84.705] COMMUNITY TREE-PLANTING GRANTS.**

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

(b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value.

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 2. **Grants.** (a) The commissioner must establish a grant program to provide grants to cities, counties, townships, Tribal governments, and park and recreation boards in cities of the first class for the following purposes:

(1) removing and planting shade trees on public or Tribal land to provide environmental benefits;

(2) replacing trees lost to forest pests, disease, or storms; and

(3) establishing a more diverse community forest better able to withstand disease and forest pests.

(b) Any tree planted with money granted under this section must be a climate-adapted species to Minnesota.

Subd. 3. **Priority.** (a) Priority for grants awarded under this section must be given to:

(1) projects removing and replacing ash trees that pose significant public safety concerns; and

(2) projects located in a census block group with a supplemental demographic index score in the 70th percentile or higher within the state of Minnesota.

(b) The commissioner may not prioritize projects based on criteria other than the criteria established under paragraph (a).

Subd. 4. **Eligible projects.** (a) The proceeds of state general obligation bonds may only be expended for grants to cities, counties, townships, and park and recreation boards in cities of the first class.

(b) Appropriations from the general fund may be expended for grants to Tribal governments, cities, counties, townships, and park and recreation boards in cities of the first class.

Sec. 10. Minnesota Statutes 2022, section 84.788, subdivision 5a, is amended to read:

Subd. 5a. **Report of registration transfers.** (a) Application for transfer of registration under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of registration as provided under this subdivision.

Sec. 11. Minnesota Statutes 2022, section 84.788, subdivision 6, is amended to read:

Subd. 6. **Registration fees.** (a) The fee for registration of an off-highway motorcycle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is ~~$30~~ $45 for three years and $4 for a duplicate or transfer.

(b) The total registration fee for off-highway motorcycles owned by a dealer and operated for demonstration or testing purposes is $50 per year. Dealer registrations are not transferable.

(c) The total registration fee for off-highway motorcycles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is $150 per year. Manufacturer registrations are not transferable.

(d) The fees collected under this subdivision must be deposited in the state treasury and credited to the off-highway motorcycle account.

Sec. 12. Minnesota Statutes 2022, section 84.871, is amended to read:

84.871 ~~EQUIPMENT~~ MUFFLER REQUIREMENTS; PENALTIES.

Subdivision 1. **Mufflers.** (a) Except as provided ~~in this section~~ under paragraph (c), ~~every snowmobile shall be~~ a person may not operate a snowmobile unless:

(1) the snowmobile is equipped with a muffler meeting the requirements of rules adopted by the commissioner; and

(2) the snowmobile is equipped at all times with a muffler in good working order ~~which~~ that blends the exhaust noise into the overall snowmobile noise and is in constant operation to prevent excessive or unusual noise. ~~The~~

(b) A snowmobile operated, offered for sale, or sold in this state must have an exhaust system ~~shall~~ that does not emit or produce a sharp popping or crackling sound.

(c) This section does not apply to organized races or similar competitive events held on:

(1) private lands, with the permission of the owner, lessee, or custodian of the land;

(2) public lands and water under the jurisdiction of the commissioner of natural resources, with the commissioner's permission; or

(3) other public lands, with the consent of the public agency owning the land.

(d) No person shall have for sale, sell, or offer for sale on any new snowmobile any muffler that fails to comply with the specifications required by the rules of the commissioner after the effective date of the rules.

Subd. 3. **Certification.** Beginning July 1, 2026, all after-market mufflers installed on a snowmobile must have a permanent stamp, clearly visible on the muffler, certified by the muffler manufacturer and stating that the muffler conforms to the snowmobile muffler noise limits specified by the rules of the commissioner.

Subd. 4. **Penalties.** (a) A person who operates a snowmobile in violation of subdivision 1, paragraph (a) or (b), is guilty of a misdemeanor.

(b) Notwithstanding section 609.101, subdivision 4, clause (2), the minimum fine for a person who operates a snowmobile in violation of subdivision 1, paragraph (a) or (b), must not be less than:

(1) $250 for the first offense;

(2) $500 for the second offense; and

(3) $1,000 for the third and subsequent offenses.

(c) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates a snowmobile in violation of subdivision 1, paragraph (a) or (b). A civil citation under this subdivision must impose a penalty of:

(1) $250 for the first offense;

(2) $500 for the second offense; and

(3) $1,000 for the third and subsequent offenses.

Sec. 13. **[84.9736] STATE COOPERATIVE FARMING AGREEMENT AND AGRICULTURAL LEASE REQUIREMENTS; FOOD PLOTS.**

(a) The commissioner of natural resources must require state cooperative farming agreements and agricultural leases of lands administered by the commissioner located east of Interstate Highway 35 in the karst region of the state to:

(1) prohibit application of fertilizer in the fall;

(2) require that no more than 50 percent of the nitrogen budget may be applied before crop emergence;

(3) prohibit nitrogen application rates from exceeding the University of Minnesota recommendations on rates; and

(4) require the use of fall cover crops.

(b) The commissioner must evaluate existing food plots and establish a process to retire food plots on lands administered by the commissioner that do not have a significant value to resident and migrating wildlife.

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

Sec. 14. Minnesota Statutes 2022, section 84B.061, as amended by Laws 2024, chapter 90, article 2, section 8, is amended to read:

84B.061 STATE JURISDICTION OVER RAINY LAKE AND OTHER NAVIGABLE WATERS; DUTIES OF GOVERNOR, ATTORNEY GENERAL, AND OTHER PUBLIC OFFICERS. As required by this chapter and the act of Congress authorizing Voyageurs National Park, the state of Minnesota donated in excess of 35,000 acres of state and other publicly owned land for the park, roughly one-fourth of the land area of the park, at a cost of over $5,000,000 to the state. More than 24,000 acres of this land was state trust fund land which the state condemned before making its donation. Pursuant to section 84B.06, lands donated by the state, along with other lands acquired by the National Park Service for the park, were made subject to concurrent jurisdiction by the state and the United States under section 1.041. In making these donations, none of the navigable waters within the park and the lands under them have been donated to the United States. These navigable waters include the following: Rainy, Kabetogama, Namakan, Sand Point, and Crane Lakes. Pursuant to applicable federal and state law, navigable waters and their beds are owned by the state. Ownership of and jurisdiction over these waters, frozen waters, and their beds has not been ceded by the state, either expressly or implicitly, to the United States. Unlike section 1.044 relating to the Upper Mississippi Wildlife and Fish Refuge, where the state expressly granted its consent and jurisdiction to the United States to acquire interests in water, as well as land, the consent granted by the state in section 84B.06 to acquisitions by the United States for Voyageurs National Park is limited to land, only. In the discharge of their official duties, the governor, attorney general, other constitutional officers, and other public officials, such as the commissioner of natural resources, shall vigorously assert and defend, in all forums, the state's ownership of and jurisdiction over these waters and their beds and related natural resources, together with associated rights of the state and its citizens arising from the state's ownership and jurisdiction. In discharging their duties, the governor, attorney general, other constitutional officers, and other public officials shall, additionally, be especially cognizant of the free rights of travel afforded to citizens of Minnesota and others under the Webster-Ashburton Treaty (proclaimed November 10, 1842) and the Root-Bryce Treaty (proclaimed May 13, 1910) on international and associated boundary waters. Also, in furtherance of duties under this section, the commissioner of natural resources shall continue in effect the commercial removal of native rough fish, as defined in section 97A.015, subdivision 43, from these waters, together with any rights to do so possessed by any person on January 1, 1995, so long as the commissioner determines that such taking is desirable to the management of the native fishery.

Sec. 15. **[86B.1065] COUNTY SHERIFF COSTS FOR UNSAFE ICE SEARCH AND RESCUE.**

A county sheriff may be reimbursed for costs that are over and above the county sheriff's regular operating budget and that are incurred from search and rescue operations due to recreational activities on unsafe ice. Reimbursement may include reimbursements made by the commissioner of natural resources with available appropriations or other available federal, state, and local funds. Reimbursement under this section is limited to 50 percent of the reimbursable costs subject to a maximum state payment of $5,000 per agency for each search and rescue operation.

Sec. 16. Minnesota Statutes 2022, section 88.82, is amended to read:

88.82 MINNESOTA RELEAF PROGRAM.

(a) The Minnesota releaf program is established in the Department of Natural Resources to encourage, promote, and fund the inventory, planting, assessment, maintenance, improvement, protection, utilization, and restoration of trees and forest resources in this state to enhance community forest ecosystem health and sustainability as well as to reduce atmospheric carbon dioxide levels and promote energy conservation.

(b) Priority for grants awarded under this section must be given to projects located in whole or in part in a census block group with a supplemental demographic index score in the 70th percentile or higher within the state of Minnesota.

(c) For the purposes of this section, "supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Sec. 17. Minnesota Statutes 2022, section 89.36, subdivision 1, is amended to read:

Subdivision 1. **Production at state nurseries.** The commissioner of natural resources may produce tree planting stock for the purposes of sections 89.35 to 89.39 upon any lands under control of the commissioner which may be deemed suitable and available therefor so far as not inconsistent with other uses to which such lands may be dedicated by law. ~~The commissioner may not produce more than 10,000,000 units of planting stock annually, after January 1, 2003.~~

Sec. 18. Minnesota Statutes 2022, section 89.37, subdivision 3, is amended to read:

Subd. 3. **Private lands.** The commissioner may supply ~~only bare root~~ seedlings, woody cuttings, and transplant material for use on private land, provided that such material must be sold in lots of not less than 250 for a sum determined by the commissioner to be equivalent to the cost of the materials and the expenses of their distribution. The commissioner may not directly or indirectly supply any other planting stock for use on private lands.

Sec. 19. Minnesota Statutes 2022, section 93.0015, subdivision 3, is amended to read:

Subd. 3. **Expiration.** The committee expires June 30, ~~2026~~ 2033.

Sec. 20. Minnesota Statutes 2022, section 93.222, is amended to read:

93.222 TACONITE IRON ORE SPECIAL ADVANCE ROYALTY ACCOUNT.

The taconite iron ore special advance royalty account is created as an account in the state treasury for disposal of certain mineral lease money received under negotiated state iron ore or taconite iron ore mining leases and under the terms of extension agreements adopted under section 93.193, relating to state iron ore or taconite iron ore mining leases. The principal of the account is distributed under the terms of the negotiated leases or extension agreements to the account or entity entitled by applicable law and lease terms to receive the income from the class of land being leased. Interest accruing from investment of the account remains with the account until distributed as provided in this section. The interest accrued through June 30 under each extension agreement is distributed annually, as soon as possible after June 30, to the account or entity entitled by applicable law and lease terms to receive the income from the class of land being leased in the same proportion that the total acres included in a particular class of land bears to the total acreage of the leased land covered by each extension agreement. Money in the taconite iron ore special advance royalty account is appropriated for distribution as provided in this section.

Sec. 21. Minnesota Statutes 2022, section 93.25, subdivision 1, is amended to read:

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

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

Sec. 22. Minnesota Statutes 2022, section 93.25, subdivision 2, is amended to read:

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

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

Sec. 23. **[93.513] PROHIBITION ON PRODUCTION OF GAS OR OIL WITHOUT PERMIT.**

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

Subd. 2. **Moratorium.** Until rules are adopted under section 93.514, the commissioner may not grant a permit for the production of gas or oil unless the legislature approves a temporary permit framework that allows issuance of temporary permits.

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

Sec. 24. **[93.514] GAS AND OIL PRODUCTION RULEMAKING.**

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

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

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

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

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

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

(b) An agency adopting rules under this section must use the expedited procedure in section 14.389. Rules adopted or amended under this authority are exempt from the 18-month time limit under section 14.125. The agency must publish notice of intent to adopt expedited rules within 24 months of the effective date of this section.

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

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

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

Sec. 25. **[93.516] GAS AND OIL LEASING.**

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

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

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

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

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

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

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

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

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

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

Sec. 26. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 47a. **Taxidermist.** "Taxidermist" means a person who engages in the business or operation of preserving or mounting wild animals or parts thereof that do not belong to the person.

Sec. 27. Minnesota Statutes 2022, section 97A.341, subdivision 1, as amended by Laws 2024, chapter 90, article 2, section 13, is amended to read:

Subdivision 1. **Liability for restitution.** A person who kills, injures, or possesses a wild animal in violation of the game and fish laws or section 343.21 is liable to the state for the value of the wild animal as provided in this section. Species afforded protection include members of the following groups as defined by statute or rule: game fish, native rough fish, game birds, big game, small game, fur-bearing animals, minnows, and threatened and endangered animal species. Other animal species may be added by rule of the commissioner as determined after public meetings and notification of the chairs of the environment and natural resources committees in the senate and house of representatives.

Sec. 28. Minnesota Statutes 2022, section 97A.341, subdivision 2, is amended to read:

Subd. 2. **Arrest and charging procedure.** (a) An enforcement officer who arrests a person for killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21 must describe the number, species, and restitution value of wild animals illegally killed, injured, or possessed on the warrant or the notice to appear in court.

(b) As part of the charge against a person arrested for killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21, the prosecuting attorney must include a demand that restitution be made to the state for the value of the wild animal killed, injured, or possessed. The demand for restitution is in addition to the criminal penalties otherwise provided for the violation.

Sec. 29. Minnesota Statutes 2022, section 97A.341, subdivision 3, is amended to read:

Subd. 3. **Sentencing procedure.** If a person is convicted of or pleads guilty to killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21, the court must require the person to pay restitution to the state for replacement of the wild animal as part of the sentence or state in writing why restitution was not imposed. The court may consider the economic circumstances of the person and, in lieu of monetary restitution, order the person to perform conservation work representing the amount of restitution that will aid the propagation of wild animals. If the court does not order a person to pay restitution, the court administrator must send a copy of the court order to the commissioner.

Sec. 30. Minnesota Statutes 2022, section 97A.345, is amended to read:

97A.345 RESTITUTION VALUE OF WILD ANIMALS.

(a) The commissioner may, by rules adopted under chapter 14, prescribe the dollar value to the state of species of wild animals. The value may reflect the value to other persons to legally take the wild animal, the replacement cost, or the intrinsic value to the state of the wild animals. Species of wild animals with similar values may be grouped together.

(b) The value of a wild animal under the rules adopted by the commissioner is prima facie evidence of a wild animal's value under section 97A.341.

(c) The commissioner shall report annually to the legislature the amount of restitution collected under section 97A.341 and the manner in which the funds were expended.

(d) When a person kills, injures, or possesses a wild animal in violation of section 343.21, the restitution value prescribed by the commissioner under paragraph (a) is doubled.

Sec. 31. Minnesota Statutes 2022, section 97A.425, is amended by adding a subdivision to read:

Subd. 3a. **Waste disposal.** (a) Licensed taxidermists must dispose of all cervid carcasses or cervid parts not returned to the patron, all biosolids resulting from cleaning cervid skulls, and all carrion beetles and beetle waste used to clean cervid skulls. All disposals must be to a disposal facility or transfer station that is permitted to accept it, and proof of the disposal must be retained for inspection.

(b) The following cervid parts are exempt from the disposal requirement:

(1) cervid hides from which all excess tissue has been removed;

(2) if free of brain and muscle tissues, whole or portions of skulls, antlers, or teeth; and

(3) finished taxidermy mounts.

Sec. 32. Minnesota Statutes 2022, section 97A.425, subdivision 4, is amended to read:

Subd. 4. **Rules.** The commissioner may adopt rules, not inconsistent with subdivisions 1 to ~~3~~ 3a, governing record keeping, reporting, and marking of specimens by taxidermists.

Sec. 33. Minnesota Statutes 2022, section 97A.475, subdivision 2, is amended to read:

Subd. 2. **Resident hunting.** Fees for the following licenses, to be issued to residents only, are:

(1) for persons age 18 or over and under age 65 to take small game, $15.50;

(2) for persons age 65 or over, $7 to take small game;

(3) for persons age 18 or over to take turkey, $26;

(4) for persons age 13 or over and under age 18 to take turkey, $5;

(5) for persons age 18 or over to take deer with firearms during the regular firearms season, $34;

(6) for persons age 18 or over to take deer by archery, $34;

(7) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, $34;

(8) to take moose, for a party of not more than six persons, $356;

(9) for persons age 18 or over to take bear, $44;

(10) to take elk, for a party of not more than two persons, $287;

~~(11) to take Canada geese during a special season, $4;~~

~~(12)~~ (11) to take light geese during the light goose conservation order, $2.50;

~~(13)~~ (12) to take sandhill crane during the sandhill crane season, $3;

~~(14)~~ (13) to take prairie chickens, $23;

~~(15)~~ (14) for persons age 13 or over and under age 18 to take deer with firearms during the regular firearms season, $5;

~~(16)~~ (15) for persons age 13 or over and under age 18 to take deer by archery, $5;

~~(17)~~ (16) for persons age 13 or over and under age 18 to take deer by muzzleloader during the muzzleloader season, $5;

~~(18)~~ (17) for persons age 10, 11, or 12 to take bear, no fee;

~~(19)~~ (18) for persons age 13 or over and under age 18 to take bear, $5;

~~(20)~~ (19) for persons age 18 or over to take small game for a consecutive 72-hour period selected by the licensee, $19, of which an amount equal to one-half of the fee for the migratory-waterfowl stamp under subdivision 5, clause (1), shall be deposited in the waterfowl habitat improvement account under section 97A.075, subdivision 2; one-half of the fee for the pheasant stamp under subdivision 5, clause (2), shall be deposited in the pheasant habitat improvement account under section 97A.075, subdivision 4; and one-half of the small-game surcharge under subdivision 4, shall be deposited in the wildlife acquisition account;

~~(21)~~ (20) for persons age 16 or over and under age 18 to take small game, $5;

~~(22)~~ (21) to take wolf, $30;

~~(23)~~ (22) for persons age 12 and under to take turkey, no fee;

~~(24)~~ (23) for persons age 10, 11, or 12 to take deer by firearm, no fee;

~~(25)~~ (24) for persons age 10, 11, or 12 to take deer by archery, no fee; and

~~(26)~~ (25) for persons age 10, 11, or 12 to take deer by muzzleloader during the muzzleloader season, no fee.

Sec. 34. Minnesota Statutes 2022, section 97A.475, subdivision 3, is amended to read:

Subd. 3. **Nonresident hunting.** (a) Fees for the following licenses, to be issued to nonresidents, are:

(1) for persons age 18 or over to take small game, $90.50;

(2) for persons age 18 or over to take deer with firearms during the regular firearms season, $180;

(3) for persons age 18 or over to take deer by archery, $180;

(4) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, $180;

(5) for persons age 18 or over to take bear, $225;

(6) for persons age 18 or over to take turkey, $91;

(7) for persons age 13 or over and under age 18 to take turkey, $5;

(8) to take raccoon or bobcat, $178;

~~(9) to take Canada geese during a special season, $4;~~

~~(10)~~ (9) to take light geese during the light goose conservation order, $2.50;

~~(11)~~ (10) to take sandhill crane during the sandhill crane season, $3;

~~(12)~~ (11) for persons age 13 or over and under age 18 to take deer with firearms during the regular firearms season in any open season option or time period, $5;

~~(13)~~ (12) for persons age 13 or over and under age 18 to take deer by archery, $5;

~~(14)~~ (13) for persons age 13 or over and under age 18 to take deer during the muzzleloader season, $5;

~~(15)~~ (14) for persons age 13 or over and under 18 to take bear, $5;

~~(16)~~ (15) for persons age 18 or over to take small game for a consecutive 72-hour period selected by the licensee, $75, of which an amount equal to one-half of the fee for the migratory-waterfowl stamp under subdivision 5, clause (1), shall be deposited in the waterfowl habitat improvement account under section 97A.075, subdivision 2; one-half of the fee for the pheasant stamp under subdivision 5, clause (2), shall be deposited in the pheasant habitat improvement account under section 97A.075, subdivision 4; and one-half of the small-game surcharge under subdivision 4, shall be deposited into the wildlife acquisition account;

~~(17)~~ (16) for persons age 16 or 17 to take small game, $5;

~~(18)~~ (17) to take wolf, $250;

~~(19)~~ (18) for persons age 12 and under to take turkey, no fee;

~~(20)~~ (19) for persons age 10, 11, or 12 to take deer by firearm, no fee;

~~(21)~~ (20) for persons age 10, 11, or 12 to take deer by archery, no fee;

~~(22)~~ (21) for persons age 10, 11, or 12 to take deer by muzzleloader during the muzzleloader season, no fee; and

~~(23)~~ (22) for persons age 10, 11, or 12 to take bear, no fee.

(b) A $5 surcharge shall be added to nonresident hunting licenses issued under paragraph (a), clauses (1) to (6) and (8). An additional commission may not be assessed on this surcharge.

Sec. 35. Minnesota Statutes 2022, section 97A.505, subdivision 8, is amended to read:

Subd. 8. **Importing Cervidae carcasses.** (a) Importing Cervidae carcasses procured by any means into Minnesota is prohibited except for:

(1) cut and wrapped meat~~,~~;

(2) quarters or other portions of meat with no part of the spinal column or head attached~~,~~;

(3) antlers, hides, or teeth~~, finished taxidermy mounts, and~~;

(4) if cleaned of all brain tissue, antlers attached to skull caps ~~that are cleaned of all brain tissue.~~ or whole skulls; and

(5) finished taxidermy mounts.

(b) Cervidae carcasses originating from outside Minnesota may be transported on a direct route through the state by nonresidents.

(c) Heads from cervids with or without the cape and neck attached that originate from outside Minnesota may be transported into Minnesota only if they are delivered to a licensed taxidermist within 48 hours of entering Minnesota.

Sec. 36. Minnesota Statutes 2022, section 97A.512, is amended to read:

97A.512 SALE OF INEDIBLE PORTIONS OF BIG GAME ANIMALS, FUR-BEARING ANIMALS, FISH, AND GAME BIRDS OTHER THAN MIGRATORY WATERFOWL.

(a) Except as otherwise provided by the game and fish laws and as restricted in this section, a person may possess, transport, buy, or sell the following inedible portions of lawfully taken or acquired big game animals, fur-bearing animals, fish, and game birds other than migratory waterfowl: bones, including skulls; sinews; adipose tissue, hides, and skins; hooves; teeth; claws; and antlers.

(b) A person may not buy or sell bear paws, unless attached to the hide, or bear gallbladders.

Sec. 37. Minnesota Statutes 2022, section 97B.022, subdivision 2, is amended to read:

Subd. 2. **Requirements.** (a) A resident or nonresident born after December 31, 1979, who is age 12 or over and who does not possess a hunter education firearms safety certificate or a resident or nonresident born after December 31, 1989, who does not possess a trapper education certificate may be issued an apprentice-hunter/trapper validation. An apprentice-hunter/trapper validation may be purchased two license years in a lifetime and used to obtain hunting or trapping licenses during the same license year that the validation is purchased.

(b) An individual in possession of an apprentice-hunter/trapper validation may ~~hunt~~ take small game, deer, and bear only when accompanied by an adult who has a valid license to ~~hunt~~ take the same species of game in Minnesota and whose license was not obtained using an apprentice ~~hunter~~ validation.

(c) When an individual in possession of an apprentice-hunter/trapper validation is hunting turkey or prairie chicken under paragraph (b), the accompanying adult may be licensed for another permit area or time period but must be licensed for the same season as the apprentice hunter. If the accompanying adult is not licensed for the same permit area or time period as the apprentice hunter, the accompanying adult may not shoot or possess a firearm or bow while accompanying the apprentice hunter under this paragraph.

(d) An apprentice-hunter/trapper-validation holder must obtain all required licenses and stamps.

Sec. 38. Minnesota Statutes 2022, section 97B.022, subdivision 3, is amended to read:

Subd. 3. **Apprentice-hunter/trapper validation; fee.** The fee for an apprentice-hunter/trapper validation is $3.50. Fees collected must be deposited in the firearms safety and trapper education training account, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected under section 97A.485, subdivision 6, and are appropriated annually to the Enforcement Division of the Department of Natural Resources for administering the firearm safety course ~~program~~ and trapper education programs.

Sec. 39. Minnesota Statutes 2023 Supplement, section 97B.071, is amended to read:

97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.

(a) Except as provided in rules adopted under paragraph (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person hunting deer in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange material on each side of the blind.

(d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

(e) A violation of paragraph (b) does not result in a penalty, but is punishable only by a safety warning.

Sec. 40. Minnesota Statutes 2022, section 97B.667, subdivision 3, is amended to read:

Subd. 3. **Permits and notice; requirements.** (a) Before killing or arranging to kill a beaver under this section, the road authority or government unit must contact a conservation officer for a special beaver permit if the beaver will be killed within two weeks before or after the trapping season for beaver, and the conservation officer must issue the permit for any beaver subject to this section. A permit is not required:

(1) for a licensed trapper during the open trapping season for beaver; or

(2) when the trapping season for beaver is closed and it is not within two weeks before or after the trapping season for beaver.

(b) A road authority or government unit that kills or arranges to have killed a beaver under this section must notify a conservation officer or employee of the Fish and Wildlife Division within ten days after the animal is killed.

(c) Unless otherwise directed by a conservation officer, the road authority, local government unit, the landowner, or their agent may dispose of or retain beaver killed under this section. Human consumption of a retained beaver is prohibited.

Sec. 41. Minnesota Statutes 2022, section 97C.001, subdivision 2, is amended to read:

Subd. 2. **Public notice and ~~meeting~~ comment.** (a) Before the commissioner designates, or vacates or extends the designation of, experimental waters, ~~a public meeting must be held in the county where the largest portion of the waters is located~~ notice of the proposed change must be provided in the county where the largest portion of the waters is located, a virtual or in-person meeting must be held, and opportunity to submit public comment must be offered.

(b) ~~At least 90 days before the public meeting and during the open angling season for fish the taking of which is, or is proposed to be, regulated under subdivision 3 on the waters under consideration,~~ Before the year that the designation is to become effective, the commissioner must give notice of the proposed designation, vacation, or extension ~~must be~~. The notice must summarize the proposed action and invite public comment. Public comments must be accepted at least through September 30, and the commissioner must consider any public comments received in making a final decision. Notice must include:

(1) signs of the proposed changes and instructions for submitting comments posted at publicly maintained access points on the water~~.~~ by June 1;

(2) a list of proposed changes posted on the department's website by June 1, summarizing the proposed actions and inviting public comment; and

(3) a news release issued by the commissioner by July 1, a notice published in a newspaper of general circulation in the area where the waters are located by August 20, and at least one more digital media communication published by August 31.

(c) ~~Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed experimental waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between seven and 30 days before the meeting.~~ A virtual or in-person meeting must be held before September 20 where public comment must be accepted. An in-person meeting, where public comment must be accepted, must be held in the county where the largest portion of the waters is located if:

(1) a water or connected waters to be designated is over 5,000 acres or a stream or river reach is over ten miles; or

(2) a request for an in-person meeting is submitted to the commissioner by August 20 before the year that the designation is to become effective.

(d) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

(e) If a water to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area unless a virtual meeting is held and notice of the meeting is published in a newspaper of general circulation in the seven-county metropolitan area.

Sec. 42. Minnesota Statutes 2022, section 97C.005, subdivision 2, is amended to read:

Subd. 2. **Public notice and ~~meeting~~ comment.** (a) Before the commissioner designates special management waters, ~~public comment must be received and, for waters other than those proposed to be designated as trout streams or trout lakes, a public meeting must be held in the county where the largest portion of the waters is located~~ notice of the proposed designation must be given, a virtual or in-person meeting must be held, and opportunity to submit public comment must be offered.

(b) ~~For waters previously designated as experimental waters, a proposed change in status to special management waters must be announced before the public meeting by notice published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. The notice must be published at least once between 30 and 60 days before the public meeting, and at least once between seven and 30 days before the meeting.~~ If a water proposed to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area unless a virtual meeting is held and notice of the meeting is published in a newspaper of general circulation in the seven-county metropolitan area.

~~(c) For proposed special management waters, other than designated trout lakes and designated trout streams, that were not previously designated as experimental waters, notice of the proposed designation must be given as provided in this paragraph. The notice must be posted at publicly maintained access points at least 90 days before the public meeting and during the open angling season for fish the taking of which on the waters is proposed to be regulated under subdivision 3. Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed special management waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between seven and 30 days before the meeting. If a water to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.~~

(c) For proposed special management waters other than designated trout lakes and designated trout streams, before the year that the designation is to become effective, the commissioner must give notice of the proposed designation. The notice must summarize the proposed action and invite public comment. Public comments must be accepted at least through September 30, and the commissioner must consider any public comments received in making a final decision. Notice must include:

(1) signs of the proposed designation and instructions for submitting comments posted at publicly maintained access points on the water by June 1;

(2) a list of proposed designations posted on the department's website by June 1, summarizing the proposed action and inviting public comment; and

(3) a news release issued by the commissioner by July 1, a notice published in a newspaper of general circulation in the area where the waters are located by August 15, and at least one more digital media communication published by August 31.

(d) A virtual or in-person meeting must be held before September 20 where public comment must be accepted. An in-person meeting, where public comment must be accepted, must be held in the county where the largest portion of the waters is located if:

(1) a water to be designated is a lake over 5,000 acres or is a stream or river reach over ten miles; or

(2) a request for an in-person meeting is submitted to the commissioner by August 20 before the year that the designation is to become effective.

~~(d)~~ (e) For waters proposed to be designated as trout streams or trout lakes, notice of the proposed designation must be published at least 90 days before the effective date of the designation in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. In addition, all riparian owners along the waters must be notified at least 90 days before the effective date of the designation.

~~(e)~~ (f) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

Sec. 43. **[97C.202] WATER-QUALITY MONITORING AT STATE FISH HATCHERIES.**

(a) The commissioner, in conjunction with the commissioners of health, agriculture, and the Pollution Control Agency, must test the source water at the state fish hatcheries located in the cities of Altura, Lanesboro, and Peterson monthly for nitrates and pesticides, including neonicotinoids. By February 15 each year, the commissioner must report the results of the previous calendar year's testing to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance and health policy and finance.

(b) Once construction of the state fish hatchery in the city of Waterville is completed, the commissioner must test the groundwater source water monthly and report the results as required for other hatcheries under paragraph (a).

Sec. 44. Minnesota Statutes 2022, section 97C.395, as amended by Laws 2023, chapter 60, article 4, section 70, and Laws 2024, chapter 90, article 2, section 33, is amended to read:

97C.395 OPEN SEASONS FOR ANGLING.

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend through the last Sunday in February;

~~(2) for lake trout, from January 1 through October 31;~~

~~(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 through March 31;~~

~~(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 through March 31;~~

~~(5)~~ (2) for brown trout, brook trout, lake trout, rainbow trout, and splake, between January 1 through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

~~(6)~~ (3) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Subd. 2. **Continuous season for certain species.** For sunfish, white crappie, black crappie, yellow perch, channel catfish, rock bass, white bass, yellow bass, burbot, cisco (tullibee), lake whitefish, common carp, and native rough fish, the open season is continuous.

Sec. 45. Minnesota Statutes 2022, section 97C.411, is amended to read:

97C.411 STURGEON AND PADDLEFISH.

Lake sturgeon, shovelnose sturgeon, and paddlefish may not be taken, bought, sold, transported or possessed except as provided by rule of the commissioner. ~~The commissioner may only allow the taking of these fish in waters that the state boundary passes through and in tributaries to the St. Croix River.~~

Sec. 46. Minnesota Statutes 2022, section 103F.211, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** The commissioner shall adopt model standards and criteria for the subdivision, use, and development of shoreland in municipalities and areas outside of a municipality. The authority to adopt model standards and criteria is exempt from the 18-month time limit under section 14.125 and does not expire. The standards and criteria must include:

(1) the area of a lot and length of water frontage suitable for a building site;

(2) the placement of structures in relation to shorelines and roads;

(3) the placement and construction of sanitary and waste disposal facilities;

(4) designation of types of land uses;

(5) changes in bottom contours of adjacent public waters;

(6) preservation of natural shorelands through the restriction of land uses;

(7) variances from the minimum standards and criteria; and

(8) for areas outside of a municipality only, a model ordinance.

Sec. 47. Minnesota Statutes 2022, section 103G.005, subdivision 15, is amended to read:

Subd. 15. **Public waters.** (a) "Public waters" means:

(1) water basins assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221;

(2) waters of the state that have been finally determined to be public waters or navigable waters by a court of competent jurisdiction;

(3) meandered lakes, excluding lakes that have been legally drained;

(4) water basins previously designated by the commissioner for management for a specific purpose such as trout lakes and game lakes pursuant to applicable laws;

(5) water basins designated as scientific and natural areas under section 84.033;

(6) water basins located within and totally surrounded by publicly owned lands;

(7) water basins where the state of Minnesota or the federal government holds title to any of the beds or shores, unless the owner declares that the water is not necessary for the purposes of the public ownership;

(8) water basins where there is a publicly owned and controlled access that is intended to provide for public access to the water basin;

(9) natural and altered watercourses with a total drainage area greater than two square miles;

(10) natural and altered watercourses designated by the commissioner as trout streams; and

(11) public waters wetlands, unless the statute expressly states otherwise.

(b) Public waters are not determined exclusively by:

(1) the proprietorship of the underlying, overlying, or surrounding land ~~or by;~~

(2) whether it is a body or stream of water that was navigable in fact or susceptible of being used as a highway for commerce at the time this state was admitted to the union~~.~~; or

(3) their inclusion in or exclusion from the public waters inventory required under section 103G.201. This clause is effective July 1, 2027.

Sec. 48. Minnesota Statutes 2022, section 103G.201, is amended to read:

103G.201 PUBLIC WATERS INVENTORY.

(a) The commissioner shall maintain a public waters inventory map of each county that shows the waters of this state that are designated as public waters under the public waters inventory and classification procedures prescribed under Laws 1979, chapter 199, and shall provide access to a copy of the maps. As county public waters inventory maps are revised according to this section, the commissioner shall send a notification or a copy of the maps to the auditor of each affected county.

(b) The commissioner ~~is authorized to~~ must revise the map of public waters established under Laws 1979, chapter 199, to reclassify those types 3, 4, and 5 wetlands previously identified as public waters wetlands under Laws 1979, chapter 199, as public waters or as wetlands under section 103G.005, subdivision 19. The commissioner may only reclassify public waters wetlands as public waters if:

(1) they are assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221;

(2) they are classified as lacustrine wetlands or deepwater habitats according to Classification of Wetlands and Deepwater Habitats of the United States (Cowardin, et al., 1979 edition); or

(3) the state or federal government has become titleholder to any of the beds or shores of the public waters wetlands, subsequent to the preparation of the public waters inventory map filed with the auditor of the county, pursuant to paragraph (a), and the responsible state or federal agency declares that the water is necessary for the purposes of the public ownership.

(c) The commissioner must provide notice of the reclassification to the local government unit, the county board, the watershed district, if one exists for the area, and the soil and water conservation district. Within 60 days of receiving notice from the commissioner, a party required to receive the notice may provide a resolution stating objections to the reclassification. If the commissioner receives an objection from a party required to receive the notice, the reclassification is not effective. If the commissioner does not receive an objection from a party required to receive the notice, the reclassification of a wetland under paragraph (b) is effective 60 days after the notice is received by all of the parties.

(d) The commissioner shall give priority to the reclassification of public waters wetlands that are or have the potential to be affected by public works projects.

(e) The commissioner may revise the public waters inventory map of each county:

(1) to reflect the changes authorized in paragraph (b); and

(2) as needed, to:

(i) correct errors in the original inventory;

(ii) add or subtract trout stream tributaries within sections that contain a designated trout stream following written notice to the landowner;

(iii) add depleted quarries, and sand and gravel pits, when the body of water exceeds 50 acres and the shoreland has been zoned for residential development; and

(iv) add or subtract public waters that have been created or eliminated as a requirement of a permit authorized by the commissioner under section 103G.245.

(f) $1,000,000 is appropriated from the general fund each year in fiscal years 2025 through 2032 to the commissioner to update the public water inventory as required in this section. The commissioner must develop and implement a process to update the public water inventory. This paragraph expires June 30, 2032.

Sec. 49. Minnesota Statutes 2023 Supplement, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application and notification fees.** (a) A fee to defray the costs of receiving, recording, and processing must be paid for a permit application authorized under this chapter, except for a general permit application, for each request to amend or transfer an existing permit, and for a notification to request authorization to conduct a project under a general permit. Fees established under this subdivision, unless specified in paragraph (c), must comply with section 16A.1285.

(b) Proposed projects that require water in excess of 100 million gallons per year must be assessed fees to recover the costs incurred to evaluate the project and the costs incurred for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

(c) The fee to apply for a permit to appropriate water, in addition to any fee under paragraph (b), is $150. The application fee for a permit to construct or repair a dam that is subject to a dam safety inspection, to work in public waters, or to divert waters for mining must be at least $1,200, but not more than $12,000. The fee for a notification to request authorization to conduct a project under a general permit is $400, except that the fee for a notification to request authorization to appropriate water under a general permit is $100.

Sec. 50. Minnesota Statutes 2022, section 103G.315, subdivision 15, is amended to read:

Subd. 15. **Rules.** The commissioner shall adopt rules prescribing standards and criteria for issuing and denying water-use permits and public-waters-work permits. The authority to adopt the rules is exempt from the 18-month time limit under section 14.125 and does not expire.

Sec. 51. Laws 2023, chapter 60, article 4, section 109, is amended to read:

Sec. 109. **ENSURING ADEQUATE BAIT SUPPLY.**

(a) Notwithstanding Minnesota Statutes, sections 97C.211, 97C.341, and 97C.515, or any other provision of law, the commissioner of natural resources may adopt emergency rules in accordance with Minnesota Statutes, section 84.027, subdivision 13, including by the expedited emergency process described in Minnesota Statutes, section 84.027, subdivision 13, paragraph (b), to alleviate a shortage of bait in this state, including by allowing importation of live minnows into the state. Only minnows harvested from waters in states that are adjacent to Minnesota may be imported under this section.

(b) By January 15, 2024, the commissioner, in consultation with bait producers, bait harvesters, retailers, and other fishing interest groups, must submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources to ensure a viable Minnesota-grown bait supply and sustainable bait industry for anglers of Minnesota that minimizes the risk of spreading aquatic invasive species or fish disease in Minnesota.

(c) This section expires June 30, ~~2025~~ 2027.

Sec. 52. **REPORT ON RECREATIONAL USE OF SCHOOL TRUST LANDS.**

Subdivision 1. **Office of School Trust Lands.** The school trust lands director must conduct a study of the recreational use of school trust lands in the state. The study must be used to determine the amount of money to be allocated to the permanent school fund for fees paid to the state for outdoor recreation purposes. The commissioner

of natural resources must assist the director by providing existing outdoor recreation use data. The director may contract for additional survey data to complete the study. The director may seek expertise from outdoor recreation industry leaders when preparing the study. The study must include the following:

(1) the estimated annual number of daily visits by individuals with a Minnesota hunting license accessing school trust lands and as a percentage of annual days hunted by all individuals with a Minnesota hunting license;

(2) the estimated annual number of daily visits by individuals with a Minnesota fishing license using a public water access site that contains school trust lands and as a percentage of annual days fishing by all individuals with a Minnesota fishing license;

(3) the estimated annual visits by Minnesota-licensed watercrafts to state-owned public water access sites that contain school trust lands and as a percentage of all visits by Minnesota-licensed watercrafts using public water access sites;

(4) the total number of miles of state-maintained snowmobile trails and all-terrain vehicle trails that are on school trust lands and as a percentage of total miles of state-operated trails for each purpose;

(5) the total amount of acres of school trust lands located within state parks and recreation areas and as a percentage of all acres of land in state parks and recreation areas;

(6) any other uses of school trust lands for outdoor recreation that include individuals purchasing a permit or paying a fee for access to the school trust lands and the percentage of the total permits or fees for that purpose;

(7) the estimated cost of posting signage near entrances to school trust lands declaring that certain portions of the public land that are being used for outdoor recreation is school trust land; and

(8) the estimated cost of updating recreational use maps and other electronic and printed documents to distinctly label school trust lands that are contained within or are part of state recreational areas, parks, and trails.

Subd. 2. **Report to the legislature.** By January 15, 2026, the school trust lands director must report the findings in subdivision 1 to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources.

Sec. 53. **STATE PARK LICENSE PLATE DESIGN CONTEST.**

The commissioner of natural resources must hold a license plate design contest to design a new state park license plate available under Minnesota Statutes, section 168.1295, subdivision 1.

Sec. 54. **RUSTY PATCHED BUMBLE BEE ENDANGERED SPECIES DESIGNATION; RULEMAKING.**

(a) The commissioner of natural resources must amend Minnesota Rules, part 6134.0200, to designate the rusty patched bumble bee, *Bombus affinis*, as an endangered species.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 55. **MINNESOTA GAS AND OIL RESOURCES TECHNICAL ADVISORY COMMITTEE.**

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

(1) the Pollution Control Agency;

(2) the Environmental Quality Board;

(3) the Department of Health;

(4) the Department of Revenue;

(5) the Office of the Attorney General;

(6) the University of Minnesota; and

(7) federal agencies.

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

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

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

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

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

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

Sec. 56. **MANAGEMENT OF KITTSON CENTRAL ELK HERD.**

(a) Notwithstanding Minnesota Statutes, section 97B.516, the Department of Natural Resources may manage the Kittson Central elk herd population to allow for genetic diversification and herd health. The herd may not be allowed to exceed 130 percent of the estimated 2023 population under this section.

(b) The commissioner of natural resources must work with the Grygla and Kittson elk working groups, private land owners, local units of government, and Minnesota Tribal Nations to develop a plan to enhance the size and range of Minnesota's elk population and provide increased recreational opportunities while maintaining a positive existence for the long-term management of the population.

Sec. 57. **REPORT ON OUTDOOR OPPORTUNITIES FOR MINNESOTA YOUTH.**

(a) By March 1, 2025, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment policy and finance on state programs that facilitate opportunities for Minnesota youth to experience the outdoors, including:

(1) the No Child Left Inside program operated under Minnesota Statutes, section 84.976; and

(2) any other program operated by or funded through the Department of Natural Resources to facilitate opportunities for Minnesota youth to experience the outdoors.

(b) The report required by this section must identify gaps in existing programs and must include recommendations for program and policy changes to increase opportunities to serve additional Minnesota youth through Outdoor Schools for All legislation or other proposals designed to increase access to the outdoors for underserved youth.

Sec. 58. **REPEALER.**

Minnesota Statutes 2022, section 97B.802, is repealed.

ARTICLE 4
BOARD OF WATER AND SOIL RESOURCES

Section 1. Minnesota Statutes 2022, section 103B.101, subdivision 12, is amended to read:

Subd. 12. **Authority to issue penalty orders.** (a) ~~Except as provided under subdivision 12a,~~ The board may issue an order requiring violations to be corrected and administratively assessing monetary penalties of up to $10,000 per violation for violations of this chapter and chapters 103C, 103D, 103E, 103F, and 103G, any rules adopted under those chapters, and any standards, limitations, or conditions established by the board.

(b) Administrative penalties issued by the board under paragraph (a) ~~or subdivision 12a,~~ may be appealed according to section 116.072, if the recipient of the penalty requests a hearing by notifying the commissioner in writing within 30 days after receipt of the order. For the purposes of this section, the terms "commissioner" and "agency" as used in section 116.072 mean the board. If a hearing is not requested within the 30-day period, the order becomes a final order not subject to further review.

(c) Administrative penalty orders issued under paragraph (a) ~~or subdivision 12a,~~ may be enforced under section 116.072, subdivision 9. Penalty amounts must be remitted within 30 days of issuance of the order.

(d) If the board determines that sufficient steps have been taken to fully resolve noncompliance, all or part of a penalty issued under this subdivision may be forgiven.

Sec. 2. Minnesota Statutes 2022, section 103B.101, subdivision 12a, is amended to read:

Subd. 12a. **Authority to issue penalty orders; counties and watershed districts.** (a) A county or watershed district with jurisdiction ~~or the Board of Water and Soil Resources~~ may issue an order requiring violations of the water resources riparian protection requirements under sections 103F.415, 103F.421, and 103F.48 to be corrected and administratively assessing monetary penalties up to ~~$500~~ $10,000 for noncompliance commencing on day one of the 11th month after the noncompliance notice was issued. The proceeds collected from an administrative penalty order issued under this section must be remitted to the county or watershed district with jurisdiction over the noncompliant site, or otherwise remitted to the Board of Water and Soil Resources.

(b) Before exercising this authority, the Board of Water and Soil Resources must adopt a plan containing procedures for the issuance of administrative penalty orders by local governments and the board as authorized in this subdivision and subdivision 12. This plan, and any subsequent amendments, ~~will become~~ is effective 30 days after being published in the State Register. ~~The initial plan must be published in the State Register no later than July 1, 2017.~~

(c) Administrative penalties may be reissued and appealed under paragraph (a) according to section 103F.48, subdivision 9.

Sec. 3. Minnesota Statutes 2022, section 103B.101, is amended by adding a subdivision to read:

Subd. 19. **Pollinator account created.** An account is created in the special revenue fund to support pollinators. Money may be deposited in the account only as required by law. Money in the account is annually appropriated to the Board of Water and Soil Resources for activities that support pollinator habitat.

Sec. 4. Minnesota Statutes 2023 Supplement, section 103B.104, is amended to read:

103B.104 LAWNS TO LEGUMES PROGRAM.

(a) The Board of Water and Soil Resources may provide financial and technical assistance to plant residential landscapes and community spaces with native vegetation and pollinator-friendly forbs and legumes to:

(1) protect a diversity of pollinators with declining populations; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may give priority consideration for proposals in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees and other priority species to be present.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

(d) Data on individuals who apply for or receive financial or technical assistance to plant residential landscapes or community spaces under the program are classified as private data on individuals, as defined by section 13.02, subdivision 12. Section 13.05, subdivision 11, applies to an agreement between the board and a private person to implement the program.

Sec. 5. Minnesota Statutes 2022, section 103F.48, subdivision 7, is amended to read:

Subd. 7. **Corrective actions.** (a) If the soil and water conservation district determines a landowner is not in compliance with this section, the district must notify the county or watershed district with jurisdiction over the noncompliant site and the board. The county or watershed district with jurisdiction or the board must provide the landowner with a list of corrective actions needed to come into compliance and a practical timeline to meet the requirements in this section. The county or watershed district with jurisdiction must provide a copy of the corrective action notice to the board.

(b) A county or watershed district exercising jurisdiction under this subdivision and the enforcement authority granted in section 103B.101, subdivision 12a, shall affirm their jurisdiction and identify the ordinance, rule, or other official controls to carry out the compliance provisions of this section and section 103B.101, subdivision 12a, by notice to the board prior to March 31, 2017. A county or watershed district must provide notice to the board at least 60 days prior to the effective date of a subsequent decision on their jurisdiction.

(c) If the landowner does not comply with the list of actions and timeline provided, the county or watershed district may enforce this section under the authority granted in section 103B.101, subdivision 12a, or by rule of the watershed district or ordinance or other official control of the county. Before exercising administrative penalty authority, a county or watershed district must adopt a plan consistent with the plan adopted by the board containing procedures for the issuance of administrative penalty orders and may issue orders beginning November 1, 2017. If a county or watershed district with jurisdiction over the noncompliant site has not adopted a plan, rule, ordinance, or official control under this paragraph, the board must enforce this section under the authority granted in section 103B.101, subdivision ~~12a~~ 12.

(d) If the county, watershed district, or board determines that sufficient steps have been taken to fully resolve noncompliance, all or part of the penalty may be forgiven.

(e) An order issued under paragraph (c) may be appealed to the board as provided under subdivision 9.

(f) A corrective action is not required for conditions resulting from a flood or other act of nature.

(g) A landowner agent or operator of a landowner may not remove or willfully degrade a riparian buffer or water quality practice, wholly or partially, unless the agent or operator has obtained a signed statement from the property owner stating that the permission for the work has been granted by the unit of government authorized to approve the work in this section or that a buffer or water quality practice is not required as validated by the soil and water conservation district. Removal or willful degradation of a riparian buffer or water quality practice, wholly or partially, by an agent or operator is a separate and independent offense and may be subject to the corrective actions and penalties in this subdivision.

Sec. 6. Minnesota Statutes 2023 Supplement, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner must deposit the revenues derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:

(1) 43.5 percent in each fiscal year to the highway user tax distribution fund;

(2) a percentage to the transportation advancement account under section 174.49 as follows:

(i) 3.5 percent in fiscal year 2024;

(ii) 4.5 percent in fiscal year 2025;

(iii) 5.5 percent in fiscal year 2026;

(iv) 7.5 percent in fiscal year 2027;

(v) 14.5 percent in fiscal year 2028;

(vi) 21.5 percent in fiscal year 2029;

(vii) 28.5 percent in fiscal year 2030;

(viii) 36.5 percent in fiscal year 2031;

(ix) 44.5 percent in fiscal year 2032; and

(x) 56.5 percent in fiscal year 2033 and thereafter; and

(3) the remainder in each fiscal year to the general fund.

For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) ~~50~~ 47.5 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; ~~and~~

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo~~.~~; and

(6) 2.5 percent of the receipts must be deposited in the pollinator account established in section 103B.101, subdivision 19.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

(k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(m) The revenues deposited under paragraphs (a) to (l) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 7. **SOIL HEALTH APPROPRIATIONS; REPORT.**

By January 15, 2026, the Board of Water and Soil Resources must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the expenditure of money appropriated for soil health activities under Laws 2023, chapter 60, article 1, section 4, paragraph (k).

ARTICLE 5
PACKAGING WASTE AND COST REDUCTION ACT

Section 1. **[115A.144] SHORT TITLE.**

Sections 115A.144 to 115A.1463 may be cited as the "Packaging Waste and Cost Reduction Act."

Sec. 2. **[115A.1441] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 115A.144 to 115A.1463, the terms in this section have the meanings given.

Subd. 2. **Advisory board.** "Advisory board" or "board" means the Producer Responsibility Advisory Board established under section 115A.1444.

Subd. 3. **Brand.** "Brand" means a name, symbol, word, or mark that identifies a product and attributes the product and its components, including packaging, to the brand owner.

Subd. 4. **Brand owner.** "Brand owner" means a person that owns or licenses a brand or that otherwise has rights to market a product under the brand, whether or not the brand's trademark is registered.

Subd. 5. **Collection rate.** "Collection rate" means the amount of a covered material by covered materials type collected by service providers and transported for recycling or composting divided by the total amount of the type of a covered material by covered materials type sold or distributed into the state by the relevant unit of measurement established in section 115A.1451.

Subd. 6. **Compostable material.** "Compostable material" means a covered material that:

(1) meets, and is labeled to reflect that it meets, the American Society for Testing and Materials Standard Specification for Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6400) or its successor;

(2) meets, and is labeled to reflect that it meets, the American Society for Testing and Materials Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6868) or its successor;

(3) is comprised of only wood without any coatings or additives; or

(4) is comprised of only paper without any coatings or additives.

Subd. 7. **Composting.** "Composting" means the controlled microbial degradation of source-separated compostable materials to yield a humus-like product.

Subd. 8. **Composting rate.** "Composting rate" means the amount of compostable covered material that is managed through composting, divided by the total amount of compostable covered material sold or distributed into the state by the relevant unit of measurement established in section 115A.1451.

Subd. 9. **Covered entity.** "Covered entity" means a person or location that receives covered services for covered materials in accordance with the requirements of this act, including:

(1) a single-family residence;

(2) a multifamily residence;

(3) a school as defined in sections 120A.22, subdivision 4, and 136A.62, subdivision 3, clauses (1) and (2); a nonpublic school as defined in section 123B.41, subdivision 9; postsecondary educational systems as defined in section 119B.011, subdivision 18; a provider as defined in section 119B.011, subdivision 19; and any other location where education or child care is provided;

(4) a nonprofit corporation with annual revenue of less than $35,000,000; and

(5) a state agency, political subdivision, public area, public entity as defined in section 115A.151, or other governmental unit.

Subd. 10. **Covered material.** "Covered material" means packaging and paper products introduced. Covered material does not include exempt materials.

Subd. 11. **Covered materials type.** "Covered materials type" means a singular and specific type of covered material, such as paper, plastic, metal, or glass, that:

(1) can be categorized based on distinguishing chemical or physical properties, including properties that allow a covered materials type to be aggregated into a discrete commodity category for purposes of reuse, recycling, or composting; and

(2) is based on similar uses in the form of a product or package.

Subd. 12. **Covered services.** "Covered services" means collecting, transferring, transporting, sorting, processing, recovering, preparing, or otherwise managing for purposes of waste reduction, reuse, recycling, or composting. Covered services does not mean any management method according to section 115A.02, paragraph (b), clauses (4) to (6).

Subd. 13. **De minimis producer.** "De minimis producer" means a person that in their most recent fiscal year:

(1) introduced less than one ton of covered material into this state; or

(2) earned global gross revenues of less than $2,000,000.

Subd. 14. **Drop-off collection site.** "Drop-off collection site" means a physical location where covered materials are accepted from the public and that is open a minimum of 12 hours weekly throughout the year.

Subd. 15. **Environmental impact.** "Environmental impact" means the impact of a covered material on human health and the environment from extraction and processing of the raw materials composing the material through manufacturing; distribution; use; recovery for reuse, recycling, or composting; and final disposal.

Subd. 16. **Exempt materials.** "Exempt materials" means materials, or any portion of materials, that:

(1) are packaging for infant formula, as defined in United States Code, title 21, section 321(z);

(2) are packaging for medical food, as defined in United States Code, title 21, section 360ee(b)(3);

(3) are packaging for a fortified oral nutritional supplement used by persons who require supplemental or sole source nutrition to meet nutritional needs due to special dietary needs directly related to cancer, chronic kidney disease, diabetes, malnutrition, or failure to thrive, as those terms are defined by the International Classification of Diseases, Tenth Revision;

(4) are packaging for a product regulated as a drug or medical device by the United States Food and Drug Administration, including associated components and consumable medical equipment;

(5) are packaging for a medical equipment or product used in medical settings that is regulated by the United States Food and Drug Administration, including associated components and consumable medical equipment;

(6) are drugs, biological products, parasiticides, medical devices, or in vitro diagnostics that are used to treat, or that are administered to, animals and are regulated by the United States Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq., by the United States Department of Agriculture under the federal Virus-Serum-Toxin Act, United States Code, title 21, section 151 et seq.;

(7) are packaging for products regulated by the United States Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act, United States Code, title 7, section 136 et seq.;

(8) are packaging used to contain liquefied petroleum gas and are designed to be refilled;

(9) are paper products used for a newspaper's print publications, including supplements or enclosures, that include content derived from primary sources related to news and current events;

(10) are paper products used for a magazine's print publication that has a circulation of less than 95,000 and that primarily includes content derived from primary sources related to news and current events;

(11) are packaging used to contain hazardous or flammable products regulated by the 2012 federal Occupational Safety and Health Administration Hazard Communication Standard, Code of Federal Regulations, title 29, section 1910.1200, that prevent the packaging from being waste reduced or made reusable, recyclable, or compostable, as determined by the commissioner;

(12) are packaging that is being collected and properly managed through a paint stewardship plan approved under section 115A.1415;

(13) are exempt materials, as determined by the commissioner under section 115A.1453, subdivision 6; or

(14) are covered materials that:

(i) a producer distributes to another producer;

(ii) are subsequently used to contain a product, and the product is distributed to a commercial or business entity for the production of another product; and

(iii) are not introduced to a person other than the commercial or business entity that first received the product used for the production of another product.

Subd. 17. **Food packaging.** "Food packaging" has the meaning given in section 325F.075.

Subd. 18. **Independent auditor.** "Independent auditor" means an independent and actively licensed certified public accountant that is:

(1) retained by a producer responsibility organization;

(2) not otherwise employed by or affiliated with a producer responsibility organization; and

(3) qualified to conduct an audit under state law.

Subd. 19. **Infrastructure investment.** "Infrastructure investment" means an investment by a producer responsibility organization that funds or reimburses a person for:

(1) equipment or facilities in which covered materials are prepared for reuse, recycling, or composting;

(2) equipment or facilities used for waste reduction, reuse, recycling, or composting of covered materials; or

(3) the expansion or strengthening of demand for and use of covered materials by responsible markets in the state or region.

Subd. 20. **Introduce.** "Introduce" means to sell, offer for sale, distribute, or use to ship a product within or into this state.

Subd. 21. **Living wage.** "Living wage" means the minimum hourly wage necessary to allow a person working 40 hours per week to afford basic needs.

Subd. 22. **Needs assessment.** "Needs assessment" means an assessment conducted according to section 115A.1450, subdivision 4. Except where the context requires otherwise, needs assessment means the most recently completed needs assessment.

Subd. 23. **Packaging.** "Packaging" has the meaning given in section 115A.03 and includes food packaging. Packaging does not include exempt materials.

Subd. 24. **Paper product.** "Paper product" means a product made primarily from wood pulp or other cellulosic fibers but does not include bound books or products that recycling or composting facilities will not accept because of the unsafe or unsanitary nature of the paper product. Paper product does not include exempt materials.

Subd. 25. **Postconsumer recycled content.** "Postconsumer recycled content" means the amount of postconsumer material used by a producer in the production of a covered materials type, divided by the total amount of that covered materials type used for products sold or distributed by the producer in that same calendar year.

Subd. 26. **Producer.** (a) "Producer" means the following person responsible for compliance with requirements under this act for a covered material introduced:

(1) for items sold in or with packaging at a physical retail location in this state:

(i) if the item is sold in or with packaging under the brand of the item manufacturer or is sold in packaging that lacks identification of a brand, the producer is the person that manufactures the item;

(ii) if there is no person to which item (i) applies, the producer is the person that is licensed to manufacture and sell or offer for sale to consumers in this state an item with packaging under the brand or trademark of another manufacturer or person;

(iii) if there is no person to which item (i) or (ii) applies, the producer is the brand owner of the item;

(iv) if there is no person described in item (i), (ii), or (iii) within the United States, the producer is the person who is the importer of record for the item into the United States for use in a commercial enterprise that sells, offers for sale, or distributes the item in this state; or

(v) if there is no person described in items (i) to (iv), the producer is the person that first distributes the item in or into this state;

(2) for items sold or distributed in packaging in or into this state via e-commerce, remote sale, or distribution:

(i) for packaging used to directly protect or contain the item, the producer of the packaging is the same as the producer identified under clause (1); and

(ii) for packaging used to ship the item to a consumer, the producer of the packaging is the person that packages the item to be shipped to the consumer;

(3) for packaging that is a covered material and is not included in clauses (1) and (2), the producer of the packaging is the person that first distributes the item in or into this state;

(4) for paper products that are magazines, catalogs, telephone directories, or similar publications, the producer is the publisher;

(5) for paper products not described in clause (4):

(i) if the paper product is sold under the manufacturer's own brand, the producer is the person that manufactures the paper product;

(ii) if there is no person to which item (i) applies, the producer is the person that is the owner or licensee of a brand or trademark under which the paper product is used in a commercial enterprise, sold, offered for sale, or distributed in or into this state, whether or not the trademark is registered in this state;

(iii) if there is no person to which item (i) or (ii) applies, the producer is the brand owner of the paper product;

(iv) if there is no person described in item (i), (ii), or (iii) within the United States, the producer is the person that imports the paper product into the United States for use in a commercial enterprise that sells, offers for sale, or distributes the paper product in this state; or

(v) if there is no person described in items (i) to (iv), the producer is the person that first distributes the paper product in or into this state; and

(6) a person is the producer of a covered material sold, offered for sale, or distributed in or into this state, as defined in clauses (1) to (5), except:

(i) where another person has mutually signed an agreement with a producer as defined in clauses (1) to (5) that contractually assigns responsibility to the person as the producer, and the person has joined a registered producer responsibility organization as the responsible producer for that covered material under this act. In the event that another person is assigned responsibility as the producer under this subdivision, the producer under clauses (1) to (5) must provide written certification of that contractual agreement to the producer responsibility organization; and

(ii) if the producer described in clauses (1) to (5) is a business operated wholly or in part as a franchise, the producer is the franchisor if that franchisor has franchisees that have a commercial presence within the state.

(b) "Producer" does not include:

(1) a state, a federal or state agency, a political subdivision, or other governmental unit;

(2) a registered 501(c)(3) charitable organization or 501(c)(4) social welfare organization;

(3) a de minimis producer;

(4) a mill that uses any virgin wood fiber in the products it produces; or

(5) a paper mill that produces container board derived from 100 percent postconsumer recycled content and nonpostconsumer recycled content.

Subd. 27. **Producer responsibility organization.** "Producer responsibility organization" means a nonprofit corporation that is tax exempt under chapter 501(c)(3) of the federal Internal Revenue Code and that is created by a group of producers to implement activities under this act.

Subd. 28. **Recycling.** "Recycling" has the meaning given in section 115A.03 except that recycling does not include reuse or composting, as defined in this act.

Subd. 29. **Recycling rate.** "Recycling rate" means the amount of recyclable covered material, in aggregate or by individual covered materials type, recycled in a calendar year divided by the total amount of recyclable covered materials sold or distributed into the state by the relevant unit of measurement established in section 115A.1451.

Subd. 30. **Refill.** "Refill" means the continued use of a covered material by a consumer through a system that is:

(1) intentionally designed and marketed for repeated filling of a covered material to reduce demand for new production of the covered material;

(2) supported by adequate logistics and infrastructure to provide convenient access for consumers; and

(3) compliant with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing health and safety.

Subd. 31. **Responsible market.** "Responsible market" means a materials market that:

(1) reuses, recycles, composts, or otherwise recovers materials and disposes of contaminants in a manner that protects the environment and minimizes risks to public health and worker health and safety;

(2) complies with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing environmental, health, safety, and financial responsibility;

(3) possesses all requisite licenses and permits required by a federal or state agency or political subdivision;

(4) if the market operates in the state, manages waste according to the waste management goal and priority order of waste management practices stated in section 115A.02; and

(5) minimizes adverse impacts to environmental justice areas, as defined in section 115A.03.

Subd. 32. **Return rate.** "Return rate" means the amount of reusable covered material in aggregate or by individual covered materials type, collected for reuse by a producer or service provider in a calendar year, divided by the total amount of reusable covered materials sold or distributed into the state by the relevant unit of measurement established in section 115A.1451.

Subd. 33. **Reusable.** "Reusable" means capable of reuse.

Subd. 34. **Reuse.** "Reuse" means the return of a covered material to the marketplace and the continued use of the covered material by a producer or service provider when the covered material is:

(1) intentionally designed and marketed to be used multiple times for its original intended purpose without a change in form;

(2) designed for durability and maintenance to extend its useful life and reduce demand for new production of the covered material;

(3) supported by adequate logistics and infrastructure at a retail location, by a service provider, or on behalf of or by a producer, that provides convenient access for consumers; and

(4) compliant with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing health and safety.

Subd. 35. **Reuse rate.** "Reuse rate" means the share of units of a reusable covered material sold or distributed into the state in a calendar year that are demonstrated and deemed reusable in accordance with an approved stewardship plan under section 115A.1451.

Subd. 36. **Service provider.** "Service provider" means an entity that provides covered services for covered materials. A political subdivision that provides or that contracts or otherwise arranges with another party to provide covered services for covered materials within its jurisdiction may be a service provider regardless of whether it provided, contracted for, or otherwise arranged for similar services before the approval of the applicable stewardship plan.

Subd. 37. **Third-party certification.** "Third-party certification" means certification by an accredited independent organization that a standard or process required by this act, or by a stewardship plan approved under this act, has been achieved.

Subd. 38. **This act.** "This act" means sections 115A.144 to 115A.1463.

Subd. 39. **Toxic substance.** "Toxic substance" means hazardous waste, a problem material, a chemical or chemical class regulated under section 115A.965, 116.943, 325F.075, or 325F.172 to 325F.179, or a chemical of high concern identified under section 116.9402.

Subd. 40. **Waste reduction or source reduction.** "Waste reduction" or "source reduction" has the meaning given in section 115A.03, except that waste reduction or source reduction does not include reuse, but does include refill, as defined in this act.

Sec. 3. **[115A.1442] ESTABLISHMENT OF PROGRAM.**

Producers must implement and finance a statewide program for packaging and paper products in accordance with this act that encourages redesign to reduce the environmental impacts and human health impacts and that reduces generation of covered materials waste through waste reduction, reuse, recycling, and composting and by providing for the collection, transportation, and processing of used covered materials for reuse, recycling, and composting.

Sec. 4. **[115A.1443] REGISTRATION OF PRODUCER RESPONSIBILITY ORGANIZATIONS AND SERVICE PROVIDERS.**

Subdivision 1. **Annual registration.** (a) By January 1, 2025, producers must appoint a producer responsibility organization. The producer responsibility organization must register with the commissioner by July 1, 2026, and each January 1 thereafter by submitting the following:

(1) contact information for a person responsible for implementing an approved stewardship plan;

(2) a list of all member producers that have entered into written agreements to operate under an approved stewardship plan administered by the producer responsibility organization and, for each producer, a list of all brands of the producer's covered materials introduced;

(3) copies of written agreements with each producer stating that the producer agrees to operate under an approved stewardship plan administered by the producer responsibility organization;

(4) a list of current board members and the executive director if different from the person responsible for implementing an approved stewardship plan; and

(5) documentation demonstrating adequate financial responsibility and financial controls to ensure proper management of funds and payment of the registration fee required under subdivision 2.

(b) Following the approval of the initial producer responsibility organization and the initial stewardship plan, if more than a single producer responsibility organization is established, the producers and producer responsibility organizations must establish a coordinating body and process to prevent redundancy. The coordinating body must integrate:

(1) stewardship plans of all producer responsibility organizations into a single stewardship plan that implements all requirements of this act and encompasses all producers when submitted to the commissioner for approval; and

(2) annual reports of all producer responsibility organizations into a single annual report that covers all requirements of this act and encompasses all producers when submitted to the commissioner.

Subd. 2. **Registration fee.** (a) Beginning January 1, 2029, as part of its annual registration with the commissioner, a producer responsibility organization must submit to the commissioner a registration fee, as determined by the commissioner. By October 1, 2028, and annually thereafter, the commissioner must provide written notice to registered producer responsibility organizations in writing of the amount of the registration fee. If there is more than one registered producer responsibility organization, the coordinating body described in subdivision 1, paragraph (b), must equitably apportion payment of the registration fee between all registered producer responsibility organizations. The registration fee must be set at an amount anticipated to in the aggregate meet but not exceed the commissioner's estimate of the costs required to perform the commissioner's duties as described in section 115A.1445 and to otherwise administer, implement, and enforce this act.

(b) The commissioner must annually reconcile the fees paid by a producer responsibility organization under this subdivision with the actual costs incurred by the agency by means of credits or refunds to or additional payments required of a producer responsibility organization, as applicable.

Subd. 3. **Initial producer responsibility organization registration; implementation fee.** (a) By January 1, 2025, producers must appoint a producer responsibility organization. The producer responsibility organization must register by January 1, 2025, with the commissioner by submitting the following:

(1) contact information for a person responsible for implementing an approved stewardship plan;

(2) a list of current member producers that have entered into written agreements to operate under an approved stewardship plan administered by the producer responsibility organization;

(3) a plan for recruiting additional member producers and executing written agreements confirming producers will operate under an approved stewardship plan administered by the producer responsibility organization;

(4) a list of current board members and the executive director if different than the person responsible for implementing approved stewardship plans; and

(5) documentation demonstrating adequate financial responsibility and financial controls to ensure proper management of funds and payment of the implementation fee required under paragraph (c).

(b) Notwithstanding the other provisions of this section, the commissioner may not allow registration of more than one producer responsibility organization under this section before the first stewardship plan approved by the commissioner expires. If more than one producer responsibility organization applies to register under this section before the first stewardship plan is approved by the commissioner, the commissioner must select the producer responsibility organization that will represent producers until the first stewardship plan expires and, if applicable, must return the fee paid by applicants who are not selected. When selecting a producer responsibility organization, the commissioner must consider whether the producer responsibility organization:

(1) has a governing board consisting of producers that represent a diversity of covered materials introduced; and

(2) demonstrates adequate financial responsibility and financial controls to ensure proper management of funds.

(c) By February 15, 2025, and annually until February 15, 2028, the commissioner must provide written notice to the producer responsibility organization of the commissioner's estimates of the cost required to perform the commissioner's duties as described in section 115A.1445. The producer responsibility organization must remit payment in full for these costs to the commissioner within 45 days of receipt of this notice. The producer responsibility organization may charge each member producer a fee according to each producer's unit-, weight-, volume-, or sales-based market share or by another method it determines to be an equitable determination of each producer's payment obligation, so that the aggregate fees charged to member producers is sufficient to pay the commissioner's estimated costs in full.

Subd. 4. **Requirement for additional producer responsibility organizations.** After the first stewardship plan approved by the commissioner expires, the commissioner may allow registration of more than one producer responsibility organization if:

(1) producers of a covered materials type or a specific covered material appoint a producer responsibility organization; or

(2) producers organize under additional producer responsibility organizations.

Subd. 5. **Registration of service providers.** By January 1, 2025, and annually thereafter, a service provider seeking reimbursement for services provided under an approved stewardship plan according to section 115A.1451 must register with the commissioner by submitting the following information:

(1) the contact information for a person representing the service provider;

(2) the address of the service provider; and

(3) if applicable to services provided, a report of the total amount billed for collection for covered entities, processing services, and transfer station operations provided during the preceding calendar year and, when possible, values must be separated for collection, transfer, and processing.

Subd. 6. **Disposition of fees.** All fees received under this section must be deposited in the state treasury and credited to the product stewardship account under section 115A.1463.

Sec. 5. **[115A.1444] ESTABLISHMENT OF PRODUCER RESPONSIBILITY ADVISORY BOARD.**

Subdivision 1. **Establishment.** The Producer Responsibility Advisory Board is established to review all activities conducted by producer responsibility organizations under this act and to advise the commissioner and producer responsibility organizations regarding the implementation of this act.

Subd. 2. **Membership.** (a) By January 1, 2025, the commissioner must establish and appoint the initial membership of the advisory board. The membership of the board must consist of the following:

(1) two members representing manufacturers of covered materials or a statewide or national trade association representing those manufacturers;

(2) two members representing recycling facilities that manage covered materials;

(3) one member representing a waste hauler or a statewide association representing waste haulers;

(4) one member representing retailers of covered materials or a statewide trade association representing those retailers;

(5) one member representing a statewide nonprofit environmental organization;

(6) one member representing a community-based nonprofit environmental justice organization;

(7) one member representing a waste facility that receives and sorts covered materials and transfers them to another facility for reuse, recycling, or composting;

(8) one member representing a waste facility that receives compostable materials for composting or a statewide trade association that represents such facilities;

(9) two members representing an entity that develops or offers for sale covered materials that are designed for reuse or refill and maintained through a reuse or refill system or infrastructure or a statewide or national trade association that represents such entities;

(10) three members representing organizations of political subdivisions, with at least one member representing a political subdivision outside the metropolitan area;

(11) two members representing other interested parties or additional members of interests represented under clauses (1) to (10) as determined by the commissioner; and

(12) one member representing the commissioner.

(b) In making appointments under paragraph (a), the commissioner:

(1) may not appoint members who are state legislators or registered lobbyists;

(2) may not appoint members who are employees of a producer required to be members of a producer responsibility organization in this state under this act; and

(3) must endeavor to appoint members from all regions of the state.

Subd. 3. **Terms; removal.** A member of the advisory board appointed under subdivision 2, paragraph (a), clause (12), serves at the pleasure of the commissioner. All other members serve for a term of four years, except that the initial term for nine of the initial appointees must be two years so that membership terms are staggered. Members may be reappointed but may not serve more than eight consecutive years. The removal of members and filling of vacancies is governed by section 15.059, subdivision 4. Except as otherwise provided, chapter 15 does not apply to the board.

Subd. 4. **Compensation.** Members of the board must be compensated according to section 15.059, subdivision 3.

Subd. 5. **Quorum.** A majority of the voting board members constitutes a quorum. If there is a vacancy in the membership of the board, a majority of the remaining voting members of the board constitutes a quorum.

Subd. 6. **Voting.** Action by the advisory board requires a quorum and a majority of those present and voting. All members of the advisory board, except the member appointed under subdivision 2, paragraph (a), clause (12), are voting members of the board.

Subd. 7. **Meetings.** The advisory board must meet at least two times per year and may meet more frequently upon ten days' written notice at the request of the chair or a majority of its members.

Subd. 8. **Open meetings.** Meetings of the board must comply with chapter 13D.

Subd. 9. **Chair.** At its initial meeting, and every two years thereafter, the advisory board must elect a chair and vice-chair from among its members.

Subd. 10. **Administrative and operating support.** The commissioner must provide administrative and operating support to the advisory board, including compensation in accordance with subdivision 4, and may contract with a third-party facilitator to assist in administering the activities of the advisory board, including establishing a website or landing page on the agency website.

Subd. 11. **Conflict of interest policies.** The commissioner must assist the advisory board in developing policies and procedures governing the disclosure of actual or perceived conflicts of interest that advisory board members may have as a result of their employment or financial holdings with respect to themselves or family members. Each advisory board member is responsible for reviewing the conflict of interest policies and procedures. An advisory board member must disclose any instance of actual or perceived conflicts of interest at each meeting of the advisory board at which recommendations regarding stewardship plans, programs, operations, or activities are made by the advisory board.

Sec. 6. **[115A.1445] COMMISSIONER RESPONSIBILITIES.**

The commissioner must:

(1) appoint the initial membership of the advisory board by January 1, 2025, as required under section 115A.1444;

(2) provide administrative and operating support to the advisory board, as required under section 115A.1444, subdivision 10;

(3) complete a preliminary assessment by December 31, 2025, and complete an initial needs assessment by December 31, 2026, and update the needs assessment every five years thereafter, as required under section 115A.1450;

(4) approve stewardship plans and amendments to stewardship plans according to section 115A.1451;

(5) provide lists established according to the requirements of section 115A.1453 to all producer responsibility organizations by July 1, 2028;

(6) establish statewide requirements as required under section 115A.1451, subdivision 7;

(7) post on the agency's website:

(i) the most recent registration materials submitted by producer responsibility organizations, including all information submitted under section 115A.1443, subdivision 1, paragraph (a), clauses (1), (2), and (4);

(ii) a list of registered service providers;

(iii) the most recent needs assessments;

(iv) any stewardship plan or amendment submitted by a producer responsibility organization under section 115A.1451 that is in draft form during the public comment period;

(v) the most recent lists established as required under section 115A.1453;

(vi) the list of exempt materials and covered materials exempt from performance targets and statewide requirements as approved in the stewardship plan;

(vii) links to producer responsibility organization websites;

(viii) comments of the public, advisory board, and producer responsibility organizations on the documents listed in items (iii) to (vi), and, if any, the responses of the commissioner to those comments; and

(ix) links to adopted rules implementing this act;

(8) provide producer responsibility organizations with information regarding Minnesota and federal laws that prohibit toxic substances in covered materials, toxic substances' potential environmental impacts and human health impacts, and best practices to reduce intentionally added toxic substances as identified in the needs assessment;

(9) approve the selection of independent auditors to perform an annual financial audit of each producer responsibility organization; and

(10) consider and respond in writing to all written comments received from the advisory board.

Sec. 7. **[115A.1446] PRODUCER RESPONSIBILITY ADVISORY BOARD RESPONSIBILITIES.**

The Producer Responsibility Advisory Board must:

(1) convene its initial meeting by March 1, 2025;

(2) consult with the commissioner regarding the scope of the needs assessments and provide written comments on needs assessments, as required under section 115A.1450, subdivision 2;

(3) advise on the development of stewardship plans and amendments to stewardship plans under section 115A.1451;

(4) submit comments to producer responsibility organizations and to the commissioner on any matter relevant to the administration of this act;

(5) provide written comments to the commissioner during any rulemaking process undertaken by the commissioner under section 115A.1459; and

(6) comply with all other applicable requirements of this act.

Sec. 8. **[115A.1447] PRODUCER RESPONSIBILITY ORGANIZATION RESPONSIBILITIES.**

A producer responsibility organization must:

(1) register with the commissioner, as required under section 115A.1443;

(2) submit a stewardship plan to the commissioner by October 1, 2028, and every five years thereafter, as required under section 115A.1451;

(3) implement stewardship plans approved by the commissioner under section 115A.1451;

(4) forward upon receipt from the commissioner the lists established under section 115A.1453 to all service providers that participate in a stewardship plan administered by the producer responsibility organization;

(5) collect producer fees as required under section 115A.1454;

(6) submit the reports required under section 115A.1456;

(7) ensure that producers operating under a stewardship plan administered by the producer responsibility organization comply with the requirements of the stewardship plan and with this act;

(8) expel a producer from the producer responsibility organization if efforts to return the producer to compliance with the plan or with the requirements of this act are unsuccessful;

(9) notify the commissioner when a producer has been expelled;

(10) consider and respond in writing to comments received from the advisory board, including justifications for not incorporating board recommendations;

(11) provide producers with information regarding state and federal laws that prohibit substances in covered materials, including sections 115A.965, 116.943, 325F.075, 325F.172 to 325F.179, and all laws prohibiting toxic substances in covered materials;

(12) maintain a website under section 115A.1457;

(13) notify the commissioner within 30 days of a change made to the contact information for a person responsible for implementing the stewardship plan, to board membership, or to the executive director;

(14) assist service providers to identify and use responsible markets;

(15) reimburse service providers in a timely manner using applicable reimbursement rates; and

(16) comply with all other applicable requirements of this act.

Sec. 9. **[115A.1448] PRODUCER RESPONSIBILITIES.**

Subdivision 1. **Registration required; prohibition of sale.** (a) After July 1, 2025, a producer must be a member of a producer responsibility organization registered in this state.

(b) After January 1, 2029, no producer may introduce covered materials, either separately or when used to package another product, unless the producer enters into a written agreement with a producer responsibility organization to operate under an approved stewardship plan.

(c) After January 1, 2032, no producer may introduce covered materials unless covered services are provided for the covered materials through a program in a stewardship plan approved by the commissioner and the covered materials are:

(1) reusable and capable of being managed through a reuse system that meets the reuse rate and return rate required under section 115A.1451, subdivision 7;

(2) capable of refill and supported by a refill system;

(3) included on the list established under section 115A.1453, subdivision 1; or

(4) included on the list established under section 115A.1453, subdivision 2.

(d) A producer responsibility organization may petition the commissioner for a two-year extension to comply with the requirements of paragraph (c). The commissioner may approve the extension if the petition demonstrates that market or technical issues prevent a specific covered material from being considered reusable or included on the lists established under section 115A.1453. The producer responsibility organization may petition the commissioner for additional annual extensions until January 1, 2040, if the producer responsibility organization demonstrates that market or technical issues preventing compliance persist.

Subd. 2. **Duties.** A producer must:

(1) implement the requirements of the stewardship plan under which the producer operates;

(2) pay producer fees under section 115A.1454; and

(3) comply with all other applicable requirements of this act.

Sec. 10. **[115A.1449] SERVICE PROVIDER RESPONSIBILITIES.**

A service provider receiving reimbursement or funding under an approved stewardship plan must:

(1) provide covered services for covered materials included on the lists established under section 115A.1453, covered services for a refill system, or covered services for reusable covered materials, as applicable to the services offered by and service area of the service provider;

(2) register with the commissioner under section 115A.1443;

(3) submit invoices to the producer responsibility organization for reimbursement for services rendered as provided in sections 115A.1451 and 115A.1455;

(4) meet performance standards established in an approved stewardship plan under section 115A.1451;

(5) ensure that covered materials are sent to responsible markets;

(6) provide documentation to the producer responsibility organization on the amounts, covered materials types, and volumes of covered materials by covered service method;

(7) display the service provider's price, minus the reimbursement from the producer responsibility organization as determined in section 115A.1455, subdivision 4, when invoicing customers. The balance is what the service provider may charge the customer; and

(8) comply with all other applicable requirements of this act.

Sec. 11. **[115A.1450] NEEDS ASSESSMENTS.**

Subdivision 1. **Needs assessments required.** (a) By December 31, 2025, the commissioner must complete a preliminary assessment according to this section.

(b) By December 31, 2026, and every five years thereafter, the commissioner must complete a needs assessment according to this section. The commissioner may adjust the required content in a specific needs assessment to inform the next stewardship plan.

Subd. 2. **Input from interested parties.** In conducting a needs assessment, the commissioner must:

(1) initiate a consultation process to obtain recommendations from the advisory board, political subdivisions, service providers, producer responsibility organizations, and other interested parties regarding the type and scope of information that should be collected and analyzed in the needs assessment required by this section;

(2) contract with a third party who is not a producer, a producer responsibility organization, or a member of the advisory board to conduct the needs assessment; and

(3) prior to finalizing the needs assessment, make the draft needs assessment available for comment by the advisory board, producer responsibility organizations, and the public. The commissioner must respond in writing to the comments and recommendations of the advisory board and producer responsibility organizations.

Subd. 3. **Content of preliminary assessment.** A preliminary assessment must be completed for a preceding period of no less than 12 months and no more than 36 months, that includes:

(1) identification of currently or recently introduced covered materials and covered materials types;

(2) tons of collected covered materials;

(3) the characteristics of recycling and composting programs, including a description of single-stream and dual-stream recycling systems offered in the state and prevalence of their use, average frequency of collection of covered materials for recycling and composting, types of collection containers used, commonly accepted materials for recycling and composting, and total costs by type of covered entity;

(4) processing capacity at recycling facilities, including total tons processed and sold, composition of tons processed and sold, current technologies utilized, and facility processing fees charged to collectors delivering covered materials for recycling;

(5) capacity of, technology used by, and characteristics of compost facilities to process and recover compostable covered materials;

(6) capacity and number of drop-off collection sites;

(7) capacity and number of transfer stations and transfer locations;

(8) average term length of residential recycling and composting collection contracts issued by political subdivisions and an assessment of contract cost structures;

(9) an estimate of total annual collection and processing service costs based on registered service provider costs;

(10) available markets in the state for covered materials and the capacity of those markets; and

(11) covered materials sales by volume, weight, and covered materials types introduced by producers.

Subd. 4. **Content of needs assessment.** A needs assessment must include at least the following:

(1) an evaluation of:

(i) existing waste reduction, reuse, recycling, and composting, as applicable, for each covered materials type, including collection rates, recycling rates, composting rates, reuse rates, and return rates, as applicable, for each covered materials type;

(ii) overall recycling rate, composting rate, reuse rate, and return rate for all covered materials; and

(iii) the extent to which postconsumer recycled content, by the best estimate, is or could be incorporated into each covered materials type, as applicable, including a review of market and technical barriers to incorporating postconsumer materials into covered materials;

(2) an evaluation of covered materials in the disposal, recycling, and composting streams to determine the covered materials types and amounts within each stream, using new studies conducted by the commissioner or publicly available and applicable studies;

(3) proposals for a range of outcomes for each covered materials type to be accomplished within a five-year time frame in multiple units of measurement, including but not limited to unit-based, weight-based, and volume-based, for each of the following:

(i) waste reduction;

(ii) reuse rate and return rates;

(iii) recycling rates;

(iv) composting rates; and

(v) postconsumer recycled content, if applicable;

(4) proposals for a range of outcomes for the categories established in section 115A.1451, subdivision 7, that consider:

(i) information contained in or used to prepare a needs assessment according to this subdivision;

(ii) goals and requirements of the Waste Management Act;

(iii) statewide goals for greenhouse gas emission reductions under section 216H.02;

(iv) the need for continuous progress toward overall reduction in the generation of covered materials waste and the complete reuse, recycling, or composting of covered materials to reduce environmental impacts and human health impacts;

(v) a preference for statewide requirements that accomplish and further the goals and requirements in items (ii) to (iv) as soon as practicable and to the maximum extent achievable; and

(vi) information from packaging and paper product producer responsibility programs operating in other jurisdictions;

(5) an evaluation of the factors for each covered material collected for recycling or composting as established in section 115A.1453, subdivision 4;

(6) recommended collection methods by covered materials type to maximize collection efficiency, maximize feedstock quality, and optimize service and convenience for collection of covered materials to be considered or that are included on lists established in section 115A.1453;

(7) proposed plans and metrics for how to measure progress in achieving performance targets and statewide requirements;

(8) an evaluation of options for third-party certification of activities to meet obligations of this act;

(9) an inventory of the current system, including:

(i) infrastructure, capacity, performance, funding level, and method and sources of financing for the existing covered services for covered materials operating in the state;

(ii) an estimate of total annual costs of covered services based on registered service provider costs; and

(iii) availability and cost of covered services for covered materials to covered entities and any other location where covered materials are introduced, including identification of disparities in the availability of these services in environmental justice areas compared with other areas and proposals for reducing or eliminating those disparities;

(10) an evaluation of investments needed to increase waste reduction, reuse, recycling, and composting rates of covered materials according to the range of proposed performance targets and statewide requirements, including investments in existing and new infrastructure that would also:

(i) maintain or improve operations of existing infrastructure and accounts for waste reduction, reuse, recycling, and composting of covered materials statewide;

(ii) expand the availability and accessibility of recycling collection services for recyclable covered materials to all covered entities to optimize service and convenience; and

(iii) establish and expand the availability and accessibility of reuse services for reusable covered materials;

(11) a recommended methodology for applying criteria and formulas to establish reimbursement rates as described in section 115A.1455;

(12) an assessment of the viability and robustness of markets for recyclable covered materials and the degree to which these markets can be considered responsible markets;

(13) an assessment of the level and causes of contamination of source-separated recyclable materials, source-separated compostable materials and collected reusables, and the impacts of contamination on service providers, including the cost to manage this contamination;

(14) an assessment of toxic substances intentionally added to covered materials, whether this limits one or more covered materials types from being used as a marketable feedstock, and best practices producers can implement to reduce intentionally added toxic substances in covered materials that could be verified through suppliers certificates of compliance, testing, or other analytical and scientifically demonstrated methodology;

(15) an assessment of current best practices to increase public awareness, educate, and complete outreach activities accounting for culturally responsive materials and methods and an evaluation of the efficacy of these efforts, including assessments and evaluations of current best practices and efforts on:

(i) using product or packaging labels as a means of informing consumers about environmentally sound use and management of covered materials;

(ii) increasing public awareness of how to use and manage covered materials in an environmentally sound manner and how to access waste reduction, reuse, recycling, and composting services; and

(iii) encouraging behavior change to increase participation in waste reduction, reuse, recycling, and composting programs;

(16) identification of the covered materials with the most significant environmental impact, including assessing each covered material's generation of hazardous waste, generation of greenhouse gases, environmental justice impacts, public health impacts, and other impacts;

(17) recommendations for meeting the criteria for an alternative collection program as established in section 115A.1451, subdivision 8; and

(18) other items identified by the commissioner that would aid the creation of the stewardship plan, its administration, and the enforcement of this act.

Subd. 5. **Needs assessment as baseline.** When determining the extent to which any statewide requirement or performance target under this act has been achieved, information contained in a needs assessment must serve as the baseline for that determination, when applicable.

Subd. 6. **Participation required; not public data.** (a) A service provider or other person with data or information necessary to complete a needs assessment must provide the data or information to the commissioner upon request.

(b) A service provider or other person providing the data or information may submit a written request to the commissioner that the data or information be classified as not public data. The request must set forth the statutory grounds and the reasons that justify the classification of the data or information as not public data. The commissioner must approve the request if the commissioner determines:

(1) the data or information constitutes trade secret information as defined in section 13.37, subdivision 1, paragraph (b), or sales information;

(2) disclosure of the data or information would tend to adversely affect the competitive position of the service provider or other person, including but not limited to data related to profits, service rates, fees, or business expenses; or

(3) the data or information is otherwise nonpublic data with regard to data not on individuals, pursuant to section 13.02, subdivision 9, or private data on individuals, pursuant to section 13.02, subdivision 12.

(c) The contractor conducting the needs assessment must aggregate and anonymize the not public data or information, excluding location data necessary to assess needs, received from all parties under this subdivision and must then include the aggregated anonymized data in the needs assessment.

(d) The commissioner, any employee of the agency, or any agent thereof, when authorized by the commissioner, may enter upon any property, public or private, for the purpose of obtaining information necessary for completing the evaluation in subdivision 4, clause (2), provided that the entrance and activity is undertaken after reasonable notice and during normal business hours and provided that compensation is made for any damage to the property caused by the entrance and activity.

Sec. 12. **[115A.1451] STEWARDSHIP PLAN.**

Subdivision 1. **Stewardship plan required.** By October 1, 2028, and every five years thereafter, a producer responsibility organization must submit a stewardship plan to the commissioner that describes the proposed operation by the organization of programs to fulfill the requirements of this act and that incorporates the findings and results of needs assessments. Once approved, a stewardship plan remains in effect for five years, as amended, or until a subsequent stewardship plan is approved.

Subd. 2. **Advisory board review of draft plan and amendments.** A producer responsibility organization must submit a draft stewardship plan or draft amendment to the advisory board at least 60 days prior to submitting the draft plan or draft amendment to the commissioner to allow the advisory board to submit comments and must address advisory board comments and recommendations prior to submission of the draft plan or draft amendment to the commissioner.

Subd. 3. **Content of stewardship plans.** A draft stewardship plan must include at a minimum:

(1) performance targets established under subdivision 5 as applicable to each covered materials type to be accomplished within a five-year period;

(2) a description of the methods of collection, how collection service convenience metrics will be met, and processing infrastructure and covered services to be used for each covered materials type at covered entities, at a minimum, and how these will meet the statewide requirements established in subdivision 7 for covered materials:

(i) included on the list established in section 115A.1453, subdivision 1;

(ii) included on the list established in section 115A.1453, subdivision 2;

(iii) that are reusable covered materials managed through a reuse system; and

(iv) that are capable of refill and managed through a refill system;

(3) proposals for exemptions from performance targets and statewide requirements for covered materials that cannot be waste reduced or made reusable, recyclable, or compostable due to federal or state health and safety requirements, identifying the specific federal or state requirements and their impact on the covered materials;

(4) a description of how, for each covered materials type, the producer responsibility organization will measure recycling, waste reduction, reuse, composting, and the inclusion of postconsumer recycled content, in accordance with subdivision 6;

(5) third-party certifications as required by the commissioner or voluntarily undertaken;

(6) a budget identifying funding needs for each of the plan's five calendar years, producer fees, a description of the process used to calculate the fees, and an explanation of how the fees meet the requirements of section 115A.1454;

(7) a description of infrastructure investments, including goals and outcomes and a description of how the process to offer and select opportunities will be conducted in an open, competitive, and fair manner; how it will address gaps in the system not met by service providers; and potential financial and legal instruments to be used;

(8) an explanation of how the program will be paid for by the producer responsibility organization through fees from producers, without any new or additional consumer-facing fee to members of the public, businesses, service providers, the state or any political subdivisions, or any other person who is not a producer, unless the fee is:

(i) a deposit made in connection with a product's refill, reuse, or recycling that can be redeemed by a consumer; or

(ii) a charge for service by a service provider, regardless of whether registered;

(9) a description of activities to be undertaken by the producer responsibility organization during each year to:

(i) minimize the environmental impacts and human health impacts of covered materials, including assessing each covered material's generation of hazardous waste, generation of greenhouse gases, environmental justice impacts, public health impacts, and other impacts;

(ii) foster the improved design of covered materials, as under section 115A.1454, subdivision 1, clause (3);

(iii) provide funding to expand and increase the convenience of waste reduction, reuse, collection, recycling, and composting services to covered entities, at a minimum according to the order of the waste management hierarchy under section 115A.02;

(iv) provide for reimbursement rates under section 115A.1455 to service providers for statewide coverage of covered services at an optimal level of convenience and service for covered materials on the list established in section 115A.1453, subdivision 1, to covered entities, at a minimum; and

(v) monitor to ensure that postconsumer materials are delivered to responsible markets;

(10) a description of how the producer responsibility organization will promote the opportunity for all service providers to register with the commissioner and to submit invoices for reimbursement with the producer responsibility organization;

(11) a description of how the program will reimburse service providers under an approved stewardship plan, including but not limited to a description of how the program will establish:

(i) a methodology to calculate differentiated reimbursement rates as provided in section 115A.1455, subdivision 4;

(ii) a process for service providers to submit invoices and be reimbursed for covered services provided to covered entities;

(iii) clear and reasonable timelines for reimbursement, at intervals no longer than monthly unless agreed to by a service provider and a producer responsibility organization; and

(iv) a process that utilizes a third-party mediator to resolve disputes that arise between the producer responsibility organization and a service provider regarding the determination of reimbursement rates and payment of reimbursements;

(12) performance standards for service providers as applicable to the service provided, including but not limited to:

(i) requirements that service providers must accept all covered materials on the list established by the commissioner under section 115A.1453, subdivision 1; and

(ii) labor standards and safety practices, including but not limited to safety programs, health benefits, and living wages;

(13) a description of how the producer responsibility organization will treat and protect nonpublic data submitted by service providers;

(14) a description of how the producer responsibility organization will provide technical assistance to:

(i) service providers in order to assist them in delivering covered materials to responsible markets;

(ii) producers regarding toxic substances in covered materials; best practices identified in the needs assessment that producers can take to reduce intentionally added toxic substances in covered materials; and best practices for verifying reduction through suppliers certificates of compliance, testing, or other analytical and scientifically demonstrated methodology; and

(iii) producers to make changes in product design that reduce the environmental impact of covered materials or that increase the recoverability or marketability of covered materials for reuse, recycling, or composting;

(15) a description of how the producer responsibility organization will increase public awareness, educate, and complete outreach activities that include culturally responsive materials and methods and evaluate the efficacy of these efforts, including how the producer responsibility organization will:

(i) assist producers in improving product labels as a means of informing consumers about refilling, reusing, recycling, composting, and other environmentally sound methods of managing covered materials;

(ii) increase public awareness of how to use and manage covered materials in an environmentally sound manner and how to access waste reduction, reuse, recycling, and composting services; and

(iii) encourage behavior change to increase participation in waste reduction, reuse, recycling, and composting programs;

(16) proposed alternative collection programs as required under subdivision 8;

(17) a description of how producers can purchase postconsumer materials from service providers at market prices if the producer is interested in obtaining recycled feedstock to achieve minimum postconsumer recycled content performance targets and statewide requirements;

(18) a summary of consultations held with the advisory board and other interested parties to provide input to the stewardship plan, a list of recommendations that were incorporated into the stewardship plan as a result, and a list of rejected recommendations and the reasons for rejection; and

(19) strategies to incorporate findings from any relevant studies required by the legislature.

Subd. 4. **Plan and amendment review and approval procedure.** (a) The commissioner must review and approve, deny, or request additional information for a draft stewardship plan or a draft plan amendment no later than 120 days after the date the commissioner receives it from a producer responsibility organization. The commissioner must post the draft plan or draft amendment on the agency's website and allow public comment for no less than 45 days before approving, denying, or requesting additional information on the draft plan or draft amendment.

(b) If the commissioner denies or requests additional information for a draft plan or draft amendment, the commissioner must provide the producer responsibility organization with the reasons, in writing, that the plan or plan amendment does not meet the plan requirements of subdivision 3. The producer responsibility organization has 60 days from the date that the rejection or request for additional information is received to submit to the commissioner any additional information necessary for the approval of the draft plan or draft amendment. The commissioner must review and approve or disapprove the revised draft plan or draft amendment no later than 60 days after the date the commissioner receives it.

(c) A producer responsibility organization may resubmit a draft plan or draft amendment to the commissioner on not more than two occasions. If after the second resubmission, the commissioner determines that the draft plan or draft amendment does not meet the plan requirements of this act, the commissioner must modify the draft plan or draft amendment as necessary for it to meet the requirements of this act and approve it.

(d) Upon recommendation by the advisory board, or upon the commissioner's own initiative, the commissioner may require an amendment to a stewardship plan if the commissioner determines that an amendment is necessary to ensure that the producer responsibility organization maintains compliance with the requirements of this act.

Subd. 5. **Performance targets.** (a) The producer responsibility organization must propose performance targets based on the needs assessment that meet the statewide requirements in subdivision 7 that must be included in a stewardship plan approved under this section. Performance targets must include reuse rates, return rates, recycling rates, and composting rates and targets for waste reduction and postconsumer recycled content by covered materials type, as applicable, that are to be achieved by the end of the stewardship plan's term. The producer responsibility organization must select the unit that is most appropriate to measure each performance target as informed by the needs assessment.

(b) The commissioner, in consultation with the advisory board, may require that a producer responsibility organization obtain third-party certification of any activity or achievement of any standard required by this act if a third-party certification is readily available, deemed applicable, and of reasonable cost. The commissioner must provide a producer responsibility organization with notice of at least one year prior to requiring use of third-party certification under this paragraph.

(c) Proposed performance targets must demonstrate continuous improvement in reducing environmental impacts and human health impacts of covered materials over time.

Subd. 6. **Measurement criteria for performance targets.** (a) For purposes of determining whether recycling performance targets are being met, except as modified by the commissioner, a stewardship plan must provide a methodology for measuring the amount of recycled material at the point at which material leaves a recycling facility and must account for:

(1) levels of estimated contamination documented by the facility;

(2) any exclusions for fuel or energy capture; and

(3) compliance with sections 115A.965, 116.943, 325F.075, and 325F.172 to 325F.179, and all other laws pertaining to toxic substances in covered materials.

(b) For purposes of determining whether waste reduction performance targets are being met, a stewardship plan must provide a methodology for measuring the amount of waste reduction of covered materials in a manner that can be used to determine the extent to which the amount of material used for a covered material can be reduced to what is necessary to efficiently deliver a product without damage or spoilage, or other means of covered material redesign to reduce overall use and environmental impacts and maintain recyclability, compostability, or reusability.

(c) For purposes of determining whether reuse performance targets are being met, a stewardship plan must provide a methodology for measuring the amount of reusable covered materials at the point at which reusable covered materials meet the following criteria as demonstrated by the producer and approved by the commissioner:

(1) whether the average minimum number of cycles of reuses within a recognized reuse system has been met based on the number of times an item must be reused for it to have lower environmental impacts than the single-use versions of those items; and

(2) whether the demonstrated or research-based anticipated return rate of the covered material to the reuse system has been met.

(d) For purposes of determining whether postconsumer recycled content performance targets are being met, a stewardship plan must provide a methodology for measuring postconsumer recycled content across all producers for a covered materials type where producers may determine their postconsumer recycled content based on their United States market territory if state-specific postconsumer recycled content is impractical to determine. Producers must demonstrate that the postconsumer recycled content reported to meet the performance targets is additional to amounts utilized to meet mandates in other states.

(e) For other performance targets, the producer responsibility organization must propose methodologies for review and approval as part of the stewardship plan based on findings from the needs assessment.

Subd. 7. **Statewide requirements.** (a) The commissioner must establish statewide requirements and the date by which they must be met for the following categories:

(1) recycling rate;

(2) composting rate;

(3) reuse rate;

(4) return rate;

(5) the percentage of covered materials introduced that must be waste reduced; and

(6) the percentage of postconsumer recycled content that covered materials must contain, including an overall percentage for all covered materials, as applicable, excluding compostable materials that cannot include postconsumer recycled content due to unique chemical or physical properties or health and safety requirements that prohibit introduction of postconsumer recycled content.

(b) The commissioner may use the following information and criteria when establishing statewide requirements under paragraph (a):

(1) needs assessments under section 115A.1450;

(2) goals and requirements of the Waste Management Act;

(3) statewide goals for greenhouse gas emission reductions under section 216H.02;

(4) the need for continuous progress toward overall reduction in the generation of covered materials waste and the complete reuse, recycling, or composting of covered materials to reduce environmental impacts and human health impacts;

(5) a preference for statewide requirements that accomplish and further the goals and requirements in clauses (2) to (4) as soon as practicable and to the maximum extent achievable; and

(6) information from packaging and paper product producer responsibility programs operating in other jurisdictions.

(c) The commissioner must consult with the producer responsibility organization on establishing statewide requirements, submit proposed statewide requirements for review by the board, and consider the board's recommendations before finalizing the statewide requirements.

(d) Every five years, the commissioner must review the statewide requirements established under paragraph (a). If the commissioner decides an update is not warranted at that time, the commissioner must submit the reasoning to the advisory board and consider the board's recommendations before making a final decision. If the commissioner decides an update is warranted, the process in paragraphs (b) and (c) must be utilized.

(e) The producer responsibility organization must ensure the statewide requirements are met.

Subd. 8. **Alternative collection programs.** (a) A producer responsibility organization must implement an alternative collection program for covered materials included on an alternative collection list established under section 115A.1453, subdivision 2, that:

(1) provides year-round, convenient, statewide collection opportunities, including at least one drop-off collection site located in each county;

(2) provides tiers of service for collection, convenience, number of drop-off collection sites, and additional collection systems based on:

(i) county population size;

(ii) county population density; and

(iii) each class of city according to section 410.01;

(3) ensures materials are sent to responsible markets;

(4) uses education and outreach strategies that can be expected to significantly increase consumer awareness of the program throughout the state; and

(5) accurately measures the amount of each covered material collected and the applicable performance target and statewide requirement.

(b) A proposal for an alternative collection program must include:

(1) the type, number, and location of each collection opportunity;

(2) a description of how each of the program requirements established in paragraph (a) will be met; and

(3) performance targets for each covered material, as applicable, to be managed through an alternative collection program.

(c) Every subsequent needs assessment after the initial needs assessment must include a review of existing alternative collection programs for each covered material listed under section 115A.1453, subdivision 2, to determine if the program is meeting the criteria established in paragraph (a).

Sec. 13. **[115A.1453] RECYCLABLE OR COMPOSTABLE COVERED MATERIALS LISTS; EXEMPT MATERIALS LIST.**

Subdivision 1. **List required.** By July 1, 2028, the commissioner must develop a list of covered materials determined to be recyclable or compostable statewide through systems where covered materials are commingled into a recyclables stream and a separate compostables stream. These covered materials must be collected at an optimal level of service and convenience for covered entities, at a minimum, wherever collection services for mixed municipal solid waste are available.

Subd. 2. **Alternative collection list required.** By July 1, 2028, the commissioner must complete a list of covered materials determined to be recyclable or compostable and collected statewide through systems other than the system required for covered materials on the list established in subdivision 1.

Subd. 3. **Input from interested parties.** The commissioner must consult with the advisory board, producer responsibility organizations, service providers, political subdivisions, and other interested parties to develop or amend the recyclable or compostable covered materials lists and must review any requests by interested parties for addition or removal of covered materials from the lists created under this section.

Subd. 4. **Criteria.** In developing the lists under subdivisions 1 and 2, the commissioner may consider the following criteria:

(1) current availability of recycling and composting collection services;

(2) recycling and composting processing infrastructure;

(3) capacity and technology for sorting covered materials;

(4) whether a covered material is of a type and form that is regularly sorted and aggregated into defined streams for recycling processes or is included in a relevant Institute of Scrap Recycling Industries specification or its successors;

(5) availability of responsible markets;

(6) presence and amount of processing residuals, contamination, and toxic substances;

(7) quantity of covered material estimated to be available and recoverable;

(8) projected future conditions for the criteria in clauses (1) to (7); and

(9) other criteria or factors, as determined by the commissioner.

Subd. 5. **Amendment.** The commissioner may amend a list completed under this section at any time and must provide amended lists to producer responsibility organizations within a reasonable amount of time after adopting an amendment. Producer responsibility organizations must provide amended lists to service providers as soon as possible after receiving the amendment and work to incorporate changes in relevant service provider reimbursement rates within a year.

Subd. 6. **Exempt materials list.** (a) A producer may request the commissioner, on a form prescribed by the commissioner, to classify as an exempt material one or more types of packaging. The commissioner must submit the request to the advisory board for review and comment before approving or denying the request.

(b) The commissioner may approve the request only if the commissioner determines that a specific federal or state health and safety requirement prevents the packaging from being waste reduced or made reusable, recyclable, or compostable.

(c) The commissioner must review and approve, deny, or request additional information for a request to classify packaging as an exempt material no later than 120 days after the date the commissioner receives the request.

(d) The commissioner must post on the agency website a list of materials exempted under this subdivision.

(e) An exemption granted under this subdivision expires two years after the date a request was approved by the commissioner. A material classified as exempt under this subdivision becomes a covered material immediately upon expiration of the exemption. A producer may reapply according to this subdivision.

Sec. 14. **[115A.1454] PRODUCER FEES.**

Subdivision 1. **Annual fee.** A producer responsibility organization must annually collect a fee from each member producer that must:

(1) vary based on the total amount of covered materials each producer introduces in the prior year calculated on a per-unit basis, such as per ton, per item, or another unit of measurement;

(2) reflect the program costs for each covered materials type, net of commodity value for that covered materials type, as well as allocated fixed costs that do not vary based on covered materials type;

(3) incentivize using materials and design attributes that reduce the environmental impacts and human health impacts of covered materials by:

(i) eliminating intentionally added toxic substances in covered materials;

(ii) reducing the amount of:

(A) packaging per individual covered material that is necessary to efficiently deliver a product without damage or spoilage and without reducing its ability to be recycled; and

(B) paper used to manufacture individual paper products;

(iii) increasing the amount of covered materials managed in a reuse system;

(iv) increasing the proportion of postconsumer material in covered materials;

(v) enhancing the recyclability or compostability of a covered material; and

(vi) increasing the amount of inputs derived from renewable and sustainable sources;

(4) discourage using materials and design attributes in covered materials whose environmental impacts and human health impacts can be reduced by the methods listed under clause (3);

(5) prioritize reuse by charging covered materials that are managed through a reuse system only once, upon initial entry into the marketplace; and

(6) generate revenue sufficient to pay in full:

(i) the fee required under section 115A.1443;

(ii) financial obligations to complete activities described in an approved stewardship plan and to reimburse service providers under section 115A.1455;

(iii) the operating costs of the producer responsibility organization; and

(iv) for establishment and maintenance of a financial reserve that is sufficient to operate the program in a fiscally prudent and responsible manner.

Subd. 2. **Overcollections.** Revenue collected under this section that exceeds the amount needed to pay the costs described in subdivision 1, clause (6), must be used to improve or enhance program outcomes or to reduce producer fees according to provisions of an approved stewardship plan.

Subd. 3. **Prohibited conduct.** Fees collected under this section may not be used for lobbying, as defined in section 3.084, subdivision 1.

Sec. 15. **[115A.1455] SERVICE PROVIDER; REIMBURSEMENT.**

Subdivision 1. **Service provider reimbursement required.** The reimbursements provided for covered services to covered entities, at a minimum, under an approved stewardship plan must only be provided to service providers that meet the performance standards established under an approved stewardship plan.

Subd. 2. **Collection of recyclables.** If a covered entity does not have access to collection services for covered materials on the list established under section 115A.1453, subdivision 1, where collection services for mixed municipal solid waste are being provided, the producer responsibility organization must ensure that collection services are available to the covered entity through a service provider at an optimal level of service and convenience.

Subd. 3. **Bidding processes.** (a) For infrastructure investments included in an approved stewardship plan, a producer responsibility organization must use the competitive bidding processes established in section 16C.28, subdivision 1, and publicly post bid opportunities, except that preference must be given to existing facilities, providers of services, and holders of service accounts in the state for waste reduction, reuse, collection, recycling, and composting of covered materials.

(b) No producer or producer responsibility organization may own or partially own infrastructure that is used to fulfill obligations under this act, except in the following circumstances:

(1) a producer may hold an ownership stake in infrastructure used to fulfill obligations under this act so long as the stake was held before enactment of this act and the ownership stake is fully disclosed by the producer to the producer responsibility organization; or

(2) after a bidding process described in paragraph (a) under which no service provider bids on the contract, the producer responsibility organization may make infrastructure investments identified under an approved stewardship plan to implement the requirements in this act.

Subd. 4. **Reimbursement rates.** (a) An approved stewardship plan must provide a methodology for reimbursement rates for covered services for covered materials, exclusive of exempt materials. The methodology for reimbursement rates must consider estimated revenue received by service providers from the sale of covered materials based upon relevant material indices and incorporate relevant cost information identified by the needs assessment. Reimbursement rates must be annually updated and reflect the net costs for covered services for covered materials from covered entities, at a minimum. Reimbursement rates must be established equivalent to net costs as established by a methodology in an approved plan as follows:

(1) no less than 50 percent of the net cost by February 1, 2029;

(2) no less than 75 percent of the net cost by February 1, 2030; and

(3) no less than 90 percent of the net cost by February 1, 2031, and each year thereafter.

(b) Reimbursement rates must be based on the following, as applicable by the service provided:

(1) the cost to collect covered material for recycling, a proportional share of composting, or reuse adjusted to reflect conditions that affect those costs, varied by region or jurisdiction in which the covered services are provided, including but not limited to:

(i) the number and type of covered entities;

(ii) population density;

(iii) collections methods employed;

(iv) distance traveled by collection vehicles to consolidation or transfer facilities; to reuse, recycling, or composting facilities; and to responsible markets;

(v) other factors that may contribute to regional or jurisdictional cost differences;

(vi) the proportion of covered compostable materials within all source-separated compostable materials collected or managed through composting; and

(vii) the general quality of covered materials collected by service providers;

(2) the cost to transfer collected covered materials from consolidation or transfer facilities to reuse, processing, recycling, or composting facilities or to responsible markets;

(3) the cost to:

(i) sort and process covered materials for sale or use and remove contamination from covered materials by a recycling or composting facility, less the average fair market value for that covered material based on market indices for the region; and

(ii) manage contamination removed from collected covered material;

(4) administrative costs of service providers, including education, public awareness campaigns, and outreach program costs as applicable; and

(5) the costs of covered services for a refill system or covered services provided for reusable covered materials and management of contamination.

(c) A service provider retains all revenue from the sale of covered materials. Nothing in this act may restrict a service provider from charging a fee for covered services of covered materials to the extent that reimbursement from a producer responsibility organization does not cover all costs of services, including continued investment and innovation in operations, operating profits, and returns on investments required by a service provider to provide sustainability of the services.

(d) Reimbursement rates may be calculated per ton, by household, or by another unit of measurement under an approved stewardship plan.

Subd. 5. **Local government authority.** (a) Nothing in this section shall be construed to require a political subdivision to agree to operate under a stewardship plan, nor does it restrict the authority of a political subdivision to provide waste management services to residents or to contract with any entity to provide waste management services. Any political subdivision that is also a service provider is eligible to be registered with the commissioner and reimbursed per the rates and schedule established in accordance with subdivision 4.

(b) Nothing in this act restricts the authority of a political subdivision to provide waste management services to residents, to contract with any entity to provide waste management services, or to exercise its authority granted under section 115A.94. A producer responsibility organization may not restrict or otherwise interfere with a political subdivision exercising its authority under section 115A.94 to organize collection of solid waste, including materials collected for recycling or composting, or to extend, renew, or otherwise manage any contracts entered into as a result of exercising such authority or otherwise resulting from a competitive procurement process.

Subd. 6. **Dispute resolution.** A producer responsibility organization must establish a dispute resolution process utilizing third-party mediators for disputes related to reimbursements.

Sec. 16. **[115A.1456] REPORTING.**

Subdivision 1. **Producer responsibility organization annual report.** (a) By April 1, 2029, and annually thereafter, a producer responsibility organization must submit a written report to the commissioner that contains, at a minimum, the following information for the previous calendar year:

(1) the amount of covered materials introduced, by each covered materials type, reported in the same units used to establish fees under section 115A.1454, subdivision 1, clause (1);

(2) progress made toward the performance targets reported in the same units used to establish producer fees under section 115A.1454, subdivision 1, clause (1), and reported statewide and for each county, including:

(i) the amount of covered materials successfully waste reduced, reused, recycled, and composted by covered materials type and the strategies or collection method used; and

(ii) information about third-party certifications obtained;

(3) the total cost to implement the program and a detailed description of program expenditures by category, including:

(i) the total amount of producer fees collected;

(ii) a description of infrastructure investments made; and

(iii) a breakdown of reimbursements by covered services, covered entities, and regions of the state;

(4) a copy of a financial audit of program operations conducted by an independent auditor approved by the commissioner that meets the requirements of the Financial Accounting Standards Board's Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958), as amended;

(5) a description of program performance problems that emerged in specific locations and efforts taken or proposed by the producer responsibility organization to address them;

(6) a discussion of technical assistance provided to producers regarding toxic substances in covered materials and actions taken by producers to reduce intentionally added toxic substances in covered materials beyond compliance with prohibitions already established in law;

(7) a description of public awareness, education, and outreach activities undertaken, including any evaluations conducted of their efficacy, plans for next calendar year's activities, and an evaluation of the process established by the producer responsibility organization to answer questions from consumers regarding collection, recycling, composting, waste reduction, and reuse activities;

(8) a summary of consultations held with the advisory board and how any feedback was incorporated into the report as a result, together with a list of rejected recommendations and the reasons for rejection;

(9) a list of producers found to be out of compliance with this act and actions taken by the producer responsibility organization to return producers to compliance, and notification of any producers that are no longer participating in the producer responsibility organization or have been expelled due to their lack of compliance;

(10) proposed amendments to the stewardship plan to improve program performance or reduce costs, including changes to producer fees, infrastructure investments, or reimbursement rates;

(11) recommendations for additions or removal of covered materials to or from the recyclable or compostable covered materials lists developed under section 115A.1453; and

(12) information requested by the commissioner to evaluate the effectiveness of the program as it is described in the stewardship plan and to assist with determining compliance with this act.

(b) Every fourth year after a stewardship plan is approved by the commissioner, a performance audit of the program must be completed by the producer responsibility organization. The performance audit must conform to audit standards established by the United States Government Accountability Office; the National Association of State Auditors, Comptrollers, and Treasurers; or another nationally recognized organization approved by the commissioner.

Subd. 2. **Report following unmet target.** A producer responsibility organization that fails to meet a performance target approved in a stewardship plan must, within 90 days of filing an annual report under this section, file with the commissioner an explanation of the factors contributing to the failure and propose an amendment to the stewardship plan specifying changes in operations that the producer responsibility organization will make that are designed to achieve the performance targets. If a performance target is unmet due to lack of political subdivision participation in the program, the commissioner may revise the statewide requirements developed under section 115A.1451, subdivision 7. If a revision to the statewide requirements is completed by the commissioner, the producer responsibility organization may revise the performance targets at the same time. An amendment filed under this subdivision must be reviewed by the advisory board and reviewed and approved by the commissioner in the manner specified in section 115A.1451, subdivisions 2 and 4.

Subd. 3. **Commissioner's report.** By October 15, 2031, and every two years thereafter, the commissioner must submit a report to the governor and to the chairs and ranking minority members of the legislative committees with jurisdiction over solid waste. The report must contain:

(1) a summary of the operations of this act during the previous years;

(2) a summary of the needs assessment;

(3) a link to reports filed under subdivisions 1 and 2;

(4) recommendations for policy, statutory, or regulatory changes to the program;

(5) an analysis of the impacts of exempting certain materials from the definition of covered materials and of exempting certain persons from the definition of producer;

(6) a list of efforts undertaken by the commissioner to enforce and secure compliance with this act; and

(7) any other information the commissioner deems to be relevant.

Subd. 4. **Duty to cooperate.** Service providers must provide producer responsibility organizations with data necessary to complete the reports required by this section upon request.

Sec. 17. **[115A.1457] PRODUCER RESPONSIBILITY ORGANIZATION WEBSITES.**

A producer responsibility organization must maintain a website that uses best practices for accessibility and contains, at a minimum:

(1) information regarding a process that members of the public can use to contact the producer responsibility organization with questions;

(2) a directory of all service providers operating under the stewardship plan administered by the producer responsibility organization, grouped by location or political subdivision, and information about how to request service;

(3) registration materials submitted to the commissioner under section 115A.1443;

(4) the draft and approved stewardship plan and any draft and approved amendments;

(5) information on how to manage materials included in lists established under section 115A.1453;

(6) the list of exempt materials as defined in this act and covered materials exempt from performance targets and statewide requirements as approved in the stewardship plan;

(7) current and all past needs assessments;

(8) annual reports submitted to the commissioner by the producer responsibility organization;

(9) a link to administrative rules implementing this act;

(10) comments of the advisory board on the documents listed in clauses (4) and (7) and the responses of the producer responsibility organization to those comments;

(11) the names of producers and brands that are not in compliance with section 115A.1448;

(12) a list, updated at least monthly, of all member producers that will operate under the stewardship plan administered by the producer responsibility organization and, for each producer, a list of all brands of the producer's covered materials; and

(13) education materials on waste reduction, reuse, recycling, and composting for producers and the general public.

Sec. 18. **[115A.1458] ANTICOMPETITIVE CONDUCT.**

A producer responsibility organization that arranges collection, recycling, composting, waste reduction, or reuse services under this act may engage in anticompetitive conduct to the extent necessary to plan and implement collection, recycling, composting, waste reduction, or reuse systems to meet the obligations under this act, and is immune from liability under state laws relating to antitrust, restraint of trade, and unfair trade practices.

Sec. 19. **[115A.1459] RULEMAKING.**

The commissioner may adopt rules to implement this act. The 18-month time limit under section 14.125 does not apply to the commissioner's rulemaking authority under this section.

Sec. 20. **[115A.1460] PROVIDING INFORMATION.**

Upon request of the commissioner for purposes of determining compliance with this act, or for purposes of implementing this act, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

Sec. 21. **[115A.1461] DEPOSIT RETURN SYSTEM.**

(a) It is the intent of the legislature that if a bottle deposit return system is enacted in the future, it will be harmonized with this act in a manner that ensures that:

(1) materials covered in that system are exempt from this act or related financial obligations are reduced;

(2) colocation of drop-off collection sites is maximized;

(3) education and outreach is integrated between the two programs; and

(4) waste reduction and reuse strategies are prioritized between the two programs.

(b) Any implementation of a deposit return system must include a two-year transition period before the expiration of the currently approved stewardship plan and be conducted in a manner that does not create sudden and significant operational or financial disruption to the implementation of a stewardship plan under section 115A.1451, including provisions of recycling or reuse services contained in the plan.

Sec. 22. **[115A.1462] ENFORCEMENT.**

(a) The commissioner must enforce this act as provided under this section and sections 115.071 and 116.072. The commissioner may revoke a registration of a producer responsibility organization or service provider found to have violated this act.

(b) Notwithstanding the penalty limits contained in section 115.071, subdivision 3, and except as otherwise provided in paragraph (c), a person that violates or fails to perform a duty imposed by this act or any rule adopted thereunder is liable for a civil penalty not to exceed $25,000 per day of violation.

(c) Notwithstanding the penalty limits contained in section 115.071, subdivision 3, a producer responsibility organization or producer that violates a provision of or fails to perform a duty imposed by this act, a rule adopted thereunder, or requirements of a stewardship plan approved by the commissioner, is liable for a civil penalty not to exceed $25,000 per day of violation. For a second violation occurring within five years after the approval of a stewardship plan, a producer responsibility organization or producer is liable for a civil penalty not to exceed $50,000 per day of violation. For a third or subsequent violation occurring within five years after the approval of a stewardship plan, a producer responsibility organization or producer is liable for a civil penalty not to exceed $100,000 per day of violation.

Sec. 23. **[115A.1463] PACKAGING PRODUCT STEWARDSHIP ACCOUNT.**

(a) The packaging product stewardship account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account and fees collected under section 115A.1443 must be credited to the account. Earnings, such as 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 expended.

(b) Money from the account is appropriated to the commissioner to pay the reasonable costs of the agency to administer sections 115A.144 to 115A.1462.

Sec. 24. **WORKPLACE CONDITIONS AND EQUITY STUDY.**

(a) By January 1, 2032, the commissioner of the Pollution Control Agency must contract with a third party that is not a producer or a producer responsibility organization to conduct a study of the recycling, composting, and reuse facilities operating in the state. The study must analyze, at a minimum, information about:

(1) working conditions, wage and benefit levels, and employment levels of minorities and women at those facilities;

(2) barriers to ownership of recycling, composting, and reuse operations faced by women and minorities;

(3) the degree to which residents of multifamily buildings have less convenient access to recycling, composting, and reuse opportunities than those living in single-family homes;

(4) the degree to which individuals living in environmental justice areas have access to fewer recycling, composting, and reuse opportunities compared to other parts of the state;

(5) the degree to which programs to increase access, convenience, and education are successful in raising reuse, recycling, and composting rates in areas where participation in these activities is low;

(6) strategies to increase participation in reuse, recycling, and composting; and

(7) the degree to which residents and workers in environmental justice areas are impacted by emissions, toxic substances, and other pollutants from solid waste facilities in comparison to other areas of the state and recommendations to mitigate those impacts.

(b) The producer responsibility organization registered by the commissioner under Minnesota Statutes, sections 115A.144 to 115A.1463, must cover the cost of conducting the study through a fee according to Minnesota Statutes, section 115A.1443, and recommended actions identified in the study must be considered for inclusion as part of future stewardship plans as required under Minnesota Statutes, section 115A.1451, including adjustments to service provider reimbursements as established under Minnesota Statutes, section 115A.1455.

Sec. 25. **COVERED MATERIALS POLLUTION AND CLEANUP STUDY.**

(a) By January 1, 2032, the commissioner of the Pollution Control Agency, in consultation with the commissioners of health and natural resources, must contract with a third party that is not a producer or a producer responsibility organization to conduct a study to identify the contribution of covered products to litter and water pollution in Minnesota. The report must at a minimum:

(1) analyze historical and current environmental impacts and human health impacts of littered covered materials and their associated toxic substances in the environment;

(2) estimate the cost of cleanup and prevention; and

(3) provide recommendations for how to reduce and mitigate the impacts of litter in the state.

(b) The contracted third party must consult with local governmental units, the commissioners of health and natural resources, and environmental justice organizations.

(c) The producer responsibility organization registered by the commissioner under Minnesota Statutes, sections 115A.144 to 115A.1463, must cover the cost of conducting the study through a fee according to Minnesota Statutes, section 115A.1443, and recommended actions identified in the study must be considered for inclusion as part of future stewardship plans, as required under Minnesota Statutes, section 115A.1451.

ARTICLE 6
FERAL SWINE AND FUR FARMS

Section 1. Minnesota Statutes 2023 Supplement, section 17.457, as amended by Laws 2024, chapter 85, section 8, is amended to read:

17.457 RESTRICTED SPECIES.

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

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

(c) "Domestic hogs" means members of the subspecies *Sus scrofa domesticus*.

~~(c)~~ (d) "Restricted species" means ~~Eurasian wild pigs and their hybrids (*Sus scrofa* subspecies and *Sus scrofa* hybrids)~~ pigs, boars, peccaries, and all other members of the Suidae family and the Tayassuidae family, excluding domestic hogs ~~(*S. scrofa domesticus*)~~.

~~(d)~~ (e) "Release" means an intentional introduction or persistent accidental escape of a restricted species or domestic hog from the control of the owner or responsible party. Release does not mean an accidental escape of restricted species or domestic hogs due to a transportation accident or an act of God.

Subd. 2. ~~**Importation; possession; release of**~~ **Restricted species permit required.** It is unlawful for a person to import, possess, propagate, or transport~~, or release~~ a restricted species, unless the person has a permit as described in subdivision 3.

Subd. 2a. **Release of restricted species or domestic hogs prohibited.** (a) It is unlawful for a person to release restricted species or domestic hogs.

(b) In addition to the penalties in subdivision 6, a person who violates paragraph (a) must do the following at the person's expense and by the date and time specified by the commissioner:

(1) register their premises with the Board of Animal Health;

(2) implement the confinement standards and record-keeping requirements developed by the Board of Animal Health; and

(3) reimburse the commissioner for costs incurred to annually inspect the registered premises and verify compliance with clause (2).

Subd. 3. **Permits.** The commissioner may issue permits for the transportation, possession, purchase, or importation of restricted species only for scientific, research, or educational~~, or commercial~~ purposes. A permit issued under this subdivision may be revoked by the commissioner if the conditions of the permit are not met by the permittee or for any unlawful act or omission, including accidental escapes.

Subd. 4. **Notice of release of restricted species or domestic hogs.** In the event of a release of a restricted species or domestic hog, the owner must notify within 24 hours a conservation officer and the Board of Animal Health and is responsible for the recovery of the species. ~~The commissioner may capture or destroy the released animal at the owner's expense.~~ If the owner does not provide notification or fails to recover the animal within 72 hours of providing notification, the released animal is considered feral swine under section 97A.56, is no longer the personal property of the owner, and may be captured or destroyed at the former owner's expense by a peace officer or by the commissioner of natural resources under section 97A.045, subdivision 1, paragraph (b), or other authority.

Subd. 5. **Enforcement.** (a) This section may be enforced by a peace officer, an enforcement officer under sections 97A.205 and 97A.211, and, except as provided in paragraph (b), by the commissioner under sections 17.982 to 17.983.

(b) For the first violation of this section, the commissioner may impose an administrative penalty of no more than $1,000. For a second violation, the commissioner may impose an administrative penalty of no more than $1,500. For a third or succeeding violation, the commissioner may impose an administrative penalty of no more than $3,000 for each violation.

Subd. 6. ~~**Penalty**~~ **Penalties.** (a) A person who violates subdivision 2, 2a, 4, or 7 is guilty of a misdemeanor.

(b) A person who violates subdivision 2a, paragraph (a), is liable to the state for costs associated with a release. The attorney general may enforce this paragraph on behalf of any state agency affected.

Subd. 7. **Identification requirements.** A restricted species in the possession of a person must be marked in a permanent fashion to identify ownership. The restricted species must be marked as soon as practicable after birth or purchase.

Subd. 8. **Containment.** The commissioner, in consultation with the commissioner of natural resources, shall develop criteria for approved containment measures for restricted species.

Subd. 9. **Bond; security.** A person who possesses restricted species must provide proof of insurance or file a security bond with the commissioner in an amount determined by the commissioner to pay for the potential costs and damages that would be caused by the release of a restricted species.

Subd. 10. **Fee.** The commissioner may impose a fee for permits in an amount sufficient to cover the costs of issuing the permits and for facility inspections. The fee may not exceed $50. Fee receipts must be deposited in the general fund.

Sec. 2. Minnesota Statutes 2022, section 97A.105, is amended to read:

97A.105 GAME ~~AND FUR~~ FARMS.

Subdivision 1. **License requirements.** (a) A person may breed and propagate ~~fur-bearing animals,~~ game birds, bear, or mute swans only on privately owned or leased land and after obtaining a license. Any of the permitted animals on a game farm may be sold to other licensed game farms. "Privately owned or leased land" includes waters that are shallow or marshy, are not actually navigable, and are not of substantial beneficial public use. Before an application for a license is considered, the applicant must enclose the area to sufficiently confine the animals to be raised in a manner approved by the commissioner. A license may be granted only if the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and the commissioner determines that the facilities are adequate for the business.

(b) A person may purchase live game birds or their eggs without a license if the birds or eggs, or birds hatched from the eggs, are released into the wild, consumed, or processed for consumption within one year after they were purchased or hatched. This paragraph does not apply to the purchase of migratory waterfowl or their eggs.

(c) A person may not introduce mute swans into the wild without a permit issued by the commissioner.

Subd. 2. **Transfer of license.** (a) A game ~~or fur~~ farm license is transferable with the transfer of all or a portion of the title or leasehold of the land if:

(1) the land transferred complies with the license requirements;

(2) the land is used for the purposes of the license; and

(3) a verified written report of the existing and intended land use is made to the commissioner, accompanied by a copy of deed, assignment, lease, or other instrument transferring the corresponding title or leasehold in the enclosed land.

(b) A transfer of less than the whole interest in the license is not valid. Each bona fide partner or associate in the ownership or operation of a game ~~or fur~~ farm must obtain a separate license.

Subd. 3. **Ownership of wild animals.** All wild animals and their offspring, of the species identified in the license, that are within the enclosure are the property of the game ~~and fur~~ farm licensee.

Subd. 4. **Sale of live animals.** (a) A sale of live animals from a licensed ~~fur or~~ game farm is not valid unless the animals are delivered to the purchaser or they are identified and kept separately.

(b) Live animals sold through auction or through a broker are considered to be sold by the game farm licensee.

(c) The sale agreement or contract must be in writing. The licensee must notify a purchaser of the death of an animal within 30 days and of the number of increase before July 20 of each year.

Subd. 5. **Sale of ~~pelts~~ products.** The commissioner shall prescribe:

(1) the manner that ~~pelts and~~ products of wild animals raised on ~~fur or~~ game farms may be sold or transported; and

(2) the tags or seals to be affixed to the ~~pelts and~~ products.

~~Subd. 6. **Fox and mink.** Fox and mink may not be bought or sold for breeding or propagating unless they have been pen-bred for at least two generations.~~

~~Subd. 7. **Transporting live beaver.** Live beaver may not be transported without a permit from the commissioner.~~

Subd. 8. **Penalty.** A licensee that does not comply with a provision of this section subjects all wild animals on the game ~~or fur~~ farm to confiscation.

Subd. 9. **Rules.** The commissioner may adopt rules for:

(1) ~~the issuance of~~ issuing game farm licenses;

(2) ~~the inspection of~~ inspecting game farm facilities;

(3) ~~the acquisition and disposal~~ acquiring and disposing of game farm animals; and

(4) record keeping and reporting by game farm licensees, including transactions handled by auction or broker.

Sec. 3. **[97A.106] FUR FARMS.**

Subdivision 1. **License requirements.** A person may breed and propagate fur-bearing animals only on privately owned or leased land and after obtaining a license. Any of the permitted animals on a fur farm may be sold to other licensed fur farms. "Privately owned or leased land" includes waters that are shallow or marshy, are not actually navigable, and are not of substantial beneficial public use. Before an application for a license is considered, the applicant must enclose the area to sufficiently confine the animals to be raised in a manner approved by the commissioner. A license may be granted only if the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and the commissioner determines that the facilities are adequate for the business.

Subd. 2. **Transfer of license.** (a) A fur farm license is transferable with the transfer of all or a portion of the title or leasehold of the land if:

(1) the land transferred complies with the license requirements;

(2) the land is used for the purposes of the license; and

(3) a verified written report of the existing and intended land use is made to the commissioner, accompanied by a copy of deed, assignment, lease, or other instrument transferring the corresponding title or leasehold in the enclosed land.

(b) A transfer of less than the whole interest in the license is not valid. Each bona fide partner or associate in the ownership or operation of a fur farm must obtain a separate license.

Subd. 3. **License fee.** For each fur farm, the owner must, on or before January 1, pay to the commissioner an annual fee of $250.

Subd. 4. **Fur farm account.** The fur farm account is established in the game and fish fund. Fees collected under this section and interest attributable to money in the account must be deposited in the account. Money in the account, including interest earned, is appropriated to the commissioner for administration and enforcement of this section.

Subd. 5. **Ownership of wild animals.** All wild animals and their offspring, of the species identified in the license, that are within the enclosure are the property of the fur farm licensee.

Subd. 6. **Containment and disease control.** The commissioner, in consultation with the Board of Animal Health and the commissioners of agriculture and health, must develop:

(1) containment and disposal requirements for farmed fur-bearers; and

(2) farmed fur-bearer disease testing and reporting requirements.

Subd. 7. **Sale of live animals.** (a) A sale of live animals from a licensed fur farm is not valid unless the animals are delivered to the purchaser or they are identified and kept separately.

(b) Live animals sold through auction or through a broker are considered to be sold by the fur farm licensee.

(c) The sale agreement or contract must be in writing. The licensee must notify a purchaser of the death of an animal within 30 days and of the number of increase before July 20 of each year.

Subd. 8. **Sale of pelts and products.** The commissioner must prescribe:

(1) the manner that pelts and products of wild animals raised on fur farms may be sold or transported; and

(2) the tags or seals to be affixed to the pelts and products.

Subd. 9. **Fox and mink.** Fox and mink may not be bought or sold for breeding or propagating unless they have been pen-bred for at least two generations.

Subd. 10. **Transporting live beaver.** Live beaver may not be transported without a permit from the commissioner.

Subd. 11. **Penalty.** A licensee that does not comply with a provision of this section subjects all wild animals on the fur farm to confiscation.

Subd. 12. **Rules.** The commissioner may adopt rules for:

(1) issuing fur farm licenses;

(2) inspecting fur farm facilities;

(3) acquiring fur farm animals; and

(4) record keeping and reporting by fur farm licensees, including transactions handled by auction or broker.

Sec. 4. Minnesota Statutes 2022, section 97A.56, subdivision 2, is amended to read:

Subd. 2. **Prohibited actions; penalty.** (a) Unless authorized by permit under section 17.457, subdivision 3, a person may not possess or release feral swine ~~or swine that were feral during any part of the swine's lifetime~~ or otherwise allow feral swine to run at large.

(b) A person may not hunt or trap feral swine, except as authorized by the commissioner for feral swine control or eradication. It is not a violation of this section if a person shoots a feral swine and reports the taking to the commissioner within 24 hours. All feral swine taken in this manner must be surrendered to the commissioner.

(c) A person who violates this subdivision is guilty of a misdemeanor.

(d) A person who violates this subdivision is liable for the actual costs incurred by the state for the possession or release of the feral swine.

(e) A person who violates this subdivision is liable for the damages caused by the possession or release of the feral swine.

Sec. 5. Minnesota Statutes 2022, section 97A.56, is amended by adding a subdivision to read:

Subd. 4. **Domestic hogs and feral swine response protocols.** The commissioner, in cooperation with the commissioner of agriculture and the Board of Animal Health, must develop protocols for responding to the release of domestic hogs and feral swine, including reporting requirements, interagency communications, and other actions necessary to resolve the release.

Sec. 6. **OUTREACH REQUIRED.**

The commissioners of agriculture and natural resources and the Board of Animal Health must jointly develop, and jointly or separately promote and provide to the public, current and consistent outreach materials concerning:

(1) swine containment methods;

(2) sources of technical and financial assistance for small or hobby farms;

(3) the importance of preventing the establishment of feral hog populations;

(4) penalties for the accidental or intentional release of swine;

(5) effective and lawful methods of feral hog control; and

(6) other topics as identified by the commissioners and the board.

Sec. 7. **REPEALER.**

Minnesota Statutes 2022, section 17.353, is repealed.

ARTICLE 7
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 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, water resource management, pollutant management, environmental justice, and public health.

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 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, water resource management, pollutant management, environmental justice, and public health.

ARTICLE 8
STATE LANDS

Section 1. Minnesota Statutes 2022, section 85.015, subdivision 1b, is amended to read:

Subd. 1b. **Easements for ingress and egress.** (a) Notwithstanding section 16A.695, except as provided in paragraph (b), when a trail is established under this section, a private property owner who has a preexisting right of ingress and egress over the trail right-of-way is granted, without charge, a permanent easement for ingress and egress purposes only. The easement is limited to the preexisting crossing and reverts to the state upon abandonment. Nothing in this subdivision is intended to diminish or alter any written or recorded easement that existed before the state acquired the land for the trail.

(b) The commissioner of natural resources shall assess the applicant an application fee of $2,000 for reviewing the application and preparing the easement. The applicant shall pay the application fee to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid the application fee in full. The commissioner shall not return the application fee, even if the application is withdrawn or denied.

(c) Money received under paragraph (b) must be credited to the land management account in the natural resources fund and is appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

(d) Notwithstanding paragraphs (a) to (c), the commissioner of natural resources may elect to assume the application fee under paragraph (b) if the commissioner determines that issuing the easement will benefit the state's land management interests.

Sec. 2. Minnesota Statutes 2022, section 94.343, subdivision 8a, is amended to read:

Subd. 8a. **Fees.** (a) When a private landowner or governmental unit, except the state, presents to the commissioner an offer to exchange privately or publicly held land for class A land, the private landowner or governmental unit shall pay to the commissioner ~~a determination of value fee and survey fee of not less than one-half of the cost of the determination of value and survey fees as determined by the commissioner.~~ fees of not less than one-half of the costs incurred by the commissioner for valuation expenses; survey expenses; legal and professional fees; costs of title work, advertising, and public hearings; transactional staff costs; and closing costs.

(b) Except as provided in paragraph (c), any payment made under paragraph (a) shall be credited to the account from which the expenses are paid and is appropriated for expenditure in the same manner as other money in the account.

(c) The fees shall be refunded if the land exchange offer is withdrawn by a private landowner or governmental unit before the money is obligated to be spent.

Sec. 3. Minnesota Statutes 2022, section 94.3495, is amended by adding a subdivision to read:

Subd. 9. **Fees.** (a) When a governmental unit presents to the commissioner an offer to exchange publicly held land under this section, the governmental unit must pay to the commissioner fees of not less than one-half of the costs incurred by the commissioner for valuation expenses; survey expenses; legal and professional fees; costs of title work, advertising, and public hearings; transactional staff costs; and closing costs.

(b) Except as provided in paragraph (c), any payment made under paragraph (a) must be credited to the account from which the expenses are paid and is appropriated to the commissioner for expenditure in the same manner as other money in the account.

(c) The fees must be refunded if the land exchange offer is withdrawn by the governmental unit before the money is obligated to be spent.

Sec. 4. **[282.0197] SALE OF LAND LOCATED WITHIN BOUNDARY OF INDIAN RESERVATIONS.**

Except as provided in section 282.012, if a parcel of land subject to sale under sections 282.01 to 282.13 consists exclusively of land within the boundary of an Indian reservation, the county auditor must first offer the land to the affected band of Indians for sale at the appraised value. The cost of any survey or appraisal must be added to and made a part of the appraised value. To determine whether the band wants to buy the land, the county auditor must give written notice to the band. If the band wants to buy the land, the band must submit a written offer to the county auditor within two weeks after receiving the notice. If the offer is for at least the appraised value, the county auditor must accept the offer.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to lands forfeited on or after that date.

Sec. 5. **ADDITIONS TO STATE PARKS.**

Subdivision 1. **[85.012] [Subd. 2.] Banning State Park, Pine County.** The following area is added to Banning State Park: the Northwest Quarter of the Northwest Quarter of Section 22, Township 42 North, Range 20 West, Pine County, Minnesota.

Subd. 2. **[85.012] [Subd. 15.] Father Hennepin State Park, Mille Lacs County.** The following areas are added to Father Hennepin State Park, all in Mille Lacs County, Minnesota:

(1) the Southwest Quarter of the Southwest Quarter of Section 3, Township 42, Range 25;

(2) the Southwest Quarter of the Southeast Quarter of Section 4, Township 42, Range 25; and

(3) the Southeast Quarter of the Southeast Quarter of Section 4, Township 42, Range 25.

Subd. 3. **[85.012] [Subd. 36.] Lake Louise State Park, Mower County.** Those parts of Section 20, Township 101 North, Range 14 West, Mower County, Minnesota, described as follows are added to Lake Louise State Park:

(1) the West Half of the South Half of the Southwest Quarter of the Northeast Quarter;

(2) the West 3/4ths of the North Half of the Southwest Quarter of the Northeast Quarter EXCEPT that portion that lies north and east of the county road; and

(3) the Northwest Quarter of the Northwest Quarter of the Southeast Quarter EXCEPT the south 334.98 feet of the west 411.24 feet thereof.

Sec. 6. **STATE PARK ABOLISHMENT.**

Subdivision 1. **[85.012] [Subd. 27b.] Hill-Annex Mine State Park, Itasca County.** Hill-Annex Mine State Park is abolished as a state park. The Hill-Annex site must be closed to public use while mining and mineral extraction leases are in place. When mining activity is complete and leases are not in place, the commissioner of natural resources must develop an advisory task force that includes representatives of the Western Mesabi Mine Planning Board, the Iron Range Resources and Rehabilitation Board, and the Office of School Trust Lands to develop options for the future of the Hill-Annex property for submission to the commissioner. This group must explore the types of use, management, and development that will be suitable for the site's conditions after mining and that would provide a benefit to the local and regional community.

Subd. 2. **[85.012] [Subd. 58.] Upper Sioux Agency State Park, Yellow Medicine County.** Upper Sioux Agency State Park is abolished and its lands transferred according to Laws 2023, chapter 60, article 4, section 97.

Sec. 7. **PRIVATE SALE OF TAX-FORFEITED LAND; AITKIN COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Aitkin County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Aitkin County and are described as:

(1) Quadna Mountain Vacation Club First Addition, Outlot A, Section 26, Township 52 North, Range 26 West, Aitkin County, Minnesota (parcel identification number 57-1-088400);

(2) Quadna Mountain Vacation Club First Addition, Outlot B, Section 26, Township 52 North, Range 26 West, Aitkin County, Minnesota (parcel identification number 57-1-088500); and

(3) Lot 3 of "Knox's Irregular Lots in the Village of Aitkin," except the portion thereof described as follows: all that part of Lot 3 which lies East of a line beginning at a point on the north line of said Lot 3 a distance of 79 feet East of the northwest corner of said lot and running southeasterly to a point on the south line of said Lot 3 a distance of 56 feet East of the southwest corner of said lot; and except the portion thereof described as follows: beginning at a point on the north line of Lot 4 of said plat a distance easterly 60.75 feet from the northwest corner of said Lot 4; thence running southeasterly to a point on the south line of said Lot 4 which is 56 feet easterly of the southwest

corner of said Lot 4; thence continuing easterly along said south line a distance of 56 feet to the southeast corner of said Lot 4; thence northwesterly to a point on the north line of said Lot 3 which is 16 feet easterly of the northwest corner of said Lot 3; thence westerly along the north line of said Lots 3 and 4 to place of beginning. Section 25, Township 47 North, Range 27 West, Aitkin County, Minnesota (0.28 acres)(parcel number 56-1-118100).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 8. **PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; AITKIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Aitkin County may sell by private sale the tax-forfeited land bordering public waters described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Aitkin County and is described as: that part of Government Lot l, Section 19, Township 46, Range 25, Aitkin County, Minnesota, described as follows: commencing at the southwest corner of said Government Lot 1; thence North 85 degrees 14 minutes 46 seconds East, assumed bearing, 1,000.00 feet along the south line of said Government Lot 1 to the point of beginning of the tract to be described; thence continuing North 85 degrees 14 minutes 46 seconds East 50.79 feet to an iron monument; thence North 19 degrees 46 minutes 21 seconds West 459.76 feet, more or less, to the shore of Rabbit Lake; thence southwesterly along said shore to its intersection with a line bearing North 20 degrees 00 minutes 16 seconds West from the point of beginning; thence South 20 degrees 00 minutes 16 seconds East 433 feet, more or less, to the point of beginning. Together with and subject to the 33.00-foot-wide easement described in the deed to Kendle recorded as Document Number 193583 on file in the office of the county recorder in and for said county. Also subject to any other easements, reservations, or restrictions of record (0.52 acres)(parcel number 09-0-031708).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 9. **PUBLIC SALE OF SURPLUS LAND BORDERING PUBLIC WATER; CHISAGO COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Chisago County and is described as:

All that part of Government Lot 1, Section 23, and all that part of Government Lot 1, Section 24, Township 33 North, Range 21 West of the 4th Principal Meridian bounded by the following described lines: commencing at the northeast corner of said Section 23; thence South 00 degrees 00 minutes West, 1,831.3 feet on and along the east line of said Section 23 to the point of beginning; thence South 38 degrees 27 minutes East, 70.0 feet; thence South 11 degrees 58 minutes West, 330.0 feet; thence South 76 degrees 59 minutes West, 286.9 feet; thence South 45 degrees 33 minutes West, 167.4 feet; thence North 73 degrees 20 minutes West, 231.8 feet; thence North 59 degrees 33 minutes West, 420.7 feet; thence North 30 degrees 17 minutes East, 327.6 feet; thence North 64 degrees 19 minutes East, 360.4 feet; thence South 87 degrees 03 minutes East, 197.8 feet; thence South 65 degrees 09 minutes East, 354.3 feet and to the point of beginning. Including all riparian rights to the contained

11.5 acres, more or less, and subject to all existing road easements. Together with that particular channel easement as described in Document #119723, on file and of record in the Office of the Recorder, Chisago County, Minnesota, with said easement being stated in said document as a perpetual easement to construct and maintain a channel over and across the area described in Document #119723 as a strip of land 75 feet wide in Government Lot 1 of Section 24, Township 33 North, Range 21 West of the 4th Principal Meridian, bounded by the water's edge of Green Lake and the following described lines: commencing at the northwest corner of said Section 24; thence South 00 degrees 00 minutes West, 1,831.3 feet on and along the west line of said section; thence South 38 degrees 27 minutes East, 70.0 feet; thence South 11 degrees 58 minutes West, 58.9 feet to a point on the centerline of said strip of land and the point of beginning; thence South 11 degrees 58 minutes West, 40.4 feet; thence North 80 degrees 00 minutes East, 290 feet, more or less, to the water's edge of said Green Lake and there terminating. And also from the point of beginning; thence North 11 degrees 58 minutes East, 40.4 feet; thence North 80 degrees 00 minutes East, 220 feet, more or less, to the water's edge of said Green Lake and there terminating.

ALSO

Together with that particular access easement as described in Document #119723, on file and of record in the Office of the Recorder, Chisago County, Minnesota, with said easement being stated in said document as a perpetual road easement to construct and maintain a 33-foot-wide road for ingress and egress over and across the following described lands: that part of Government Lot 1 of Section 23, Township 33 North, Range 21 West of the 4th Principal Meridian, bounded by the following described lines: commencing at the northeast corner of said Section 23; thence South 00 degrees 00 minutes West, 1,831.3 feet on and along the east line of said section; thence South 38 degrees 27 minutes East, 70.0 feet; thence South 11 degrees 58 minutes West, 330.0 feet; thence South 76 degrees 59 minutes West, 223.6 feet to a point on the southerly boundary of the above described lands being conveyed in fee and the point of beginning; thence South 76 degrees 59 minutes West, 63.3 feet on and along said southerly boundary; thence South 45 degrees 33 minutes West, 167.4 feet on and along said southerly boundary; thence North 72 degrees 57 minutes West, 666.8 feet to a point on the southeasterly right-of-way line of U.S. Highway No. 8; thence South 38 degrees 09 minutes West, 35.4 feet on and along said right-of-way line; thence South 72 degrees 57 minutes East, 679.7 feet; thence South 73 degrees 20 minutes East, 251.3 feet; thence North 45 degrees 33 minutes West, 240.9 feet to the point of beginning.

(d) The land borders Green Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 10. **PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CROW WING COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Crow Wing County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Crow Wing County and is described as: the South 150.00 feet of the East 770.00 feet EXCEPT that part of the public waters of Gilbert Lake in the Southeast Quarter of the Southeast Quarter of Section 28, Township 134 North, Range 28 West, Crow Wing County, Minnesota (part of parcel identification number 99280619).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 11. **CONVEYANCE OF SURPLUS LAND BORDERING PUBLIC WATER; HUBBARD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may convey the surplus land bordering public water that is described in paragraph (c) to a local unit of government for no consideration, subject to the state's reservation of a trail easement.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Hubbard County and is described as:

A strip of land 150 feet in width extending over and across the Southwest Quarter of the Southwest Quarter of Section 24, Township 140 North, Range 35 West of the Fifth Principal Meridian, Hubbard County, Minnesota, said strip of land lying being 75 feet in width on each side of the centerline of the main track (now removed) of the former St. Paul, Minneapolis and Manitoba Railway Company (now BNI), as originally located and established over and across said Southwest Quarter of the Southwest Quarter of Section 24 and lying between the north line of the Fish Hook River and the north line of said Southwest Quarter of the Southwest Quarter of Section 24, LESS and EXCEPT the following described tract: that part of the South Half of the Southwest Quarter, Section 24, Township 140 North, Range 35 West, Hubbard County, Minnesota, described as follows: commencing at a found iron monument which designates the northwesterly corner of Lot 1, Block 4, AUDITOR'S PLAT No. 2, plat of which is on file and of record in the Office of the County Recorder, Hubbard County; thence on a bearing based on the Hubbard County Coordinate System (NAD83, 1996 Adjustment) of South 32 degrees 45 minutes 05 seconds East, along the southwesterly line of said Lot 1, a distance of 177.13 feet to the southwesterly corner of said Lot 1; thence South 48 degrees 30 minutes 52 seconds West, a distance of 71.23 feet to an iron monument on the southwesterly line of Mill Road; thence North 32 degrees 32 minutes 42 seconds West, along the southwesterly line of Mill Road, a distance of 85.20 feet to an iron monument; thence North 22 degrees 10 minutes 58 seconds West along said southwesterly line of Mill Road, a distance of 85.84 feet to an iron monument; thence North 81 degrees 01 minutes 23 seconds West, a distance of 127.05 feet to the intersection with the easterly right-of-way line of the Heartland State Trail (former Burlington Northern Railroad) and an iron monument and the point of beginning of the land to be herein described; thence continue North 81 degrees 01 minutes 23 seconds West, a distance 37.00 feet; thence South 09 degrees 06 minutes 28 seconds West, a distance of 44.69 feet; thence South 13 degrees 37 minutes 49 seconds East, a distance of 95.72 feet to an iron monument and the intersection with said easterly right-of-way line; thence North 09 degrees 06 minutes 28 seconds East, along said easterly right-of-way line, a distance of 133.06 feet, more or less, to the point of beginning. Said strip of land containing 2.52 acres, more or less.

(d) The land borders the Fish Hook River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was conveyed to a local unit of government.

Sec. 12. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; HUBBARD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Hubbard County and is described as:

(1) a strip of land 50 feet in width extending over and across the Southwest Quarter of the Southwest Quarter of Section 24, Township 140 North, Range 35 West of the Fifth Principal Meridian, Hubbard County, Minnesota, said strip of land lying South of the south line of the Fish Hook River, on the westerly side of the centerline of the main track (now removed) of the former Wadena and Park Rapids Railway Company (now BNI), as originally located and established over and across said Southwest Quarter of the Southwest Quarter of Section 24; said strip of land containing 0.14 acres, more or less; and

(2) a strip of land 50 feet in width extending over and across the Southwest Quarter of the Southwest Quarter of Section 24, Township 140 North, Range 35 West of the Fifth Principal Meridian, Hubbard County, Minnesota, said strip of land lying South of the south line of the Fish Hook River, on the easterly side of the centerline of the main track (now removed) of the former Wadena and Park Rapids Railway Company (now BNI), as originally located and established over and across said Southwest Quarter of the Southwest Quarter of Section 24, said strip of land containing 0.16 acres, more or less.

(d) The land borders the Fish Hook River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 13. **CONDEMNATION OF CERTAIN LAND IN MILLE LACS COUNTY.**

(a) Funds appropriated in this act to the commissioner of natural resources to condemn land in Mille Lacs County must be used to initiate condemnation proceedings of the lands described in paragraph (d). The commissioner may use this appropriation for project costs, including but not limited to valuation expenses, legal fees, closing costs, transactional staff costs, and the condemnation award. This is a onetime appropriation and is available until spent.

(b) Notwithstanding Minnesota Statutes, sections 92.45, 94.09 to 94.16, or any other provision of law to the contrary, once the lands are condemned under paragraph (a), the commissioner of natural resources may convey the surplus land bordering public waters that is described in paragraph (d) to a federally recognized Indian Tribe for no consideration.

(c) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(d) The land that may be conveyed is located in Mille Lacs County and is described as: Government Lot 2, Section 16, Township 42 North, Range 26 West, including all riparian rights.

(e) The land borders Mille Lacs Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to Tribal ownership.

Sec. 14. **CONVEYANCE OF SURPLUS LAND BORDERING PUBLIC WATER; REDWOOD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may convey the surplus land bordering public water that is described in paragraph (c) to a federally recognized Indian Tribe for no consideration.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Redwood County and is described as:

(1) Government Lot 2 of Section 4, Township 112 North, Range 34 West; and

(2) Government Lot 6 of Section 9, Township 112 North, Range 34 West, excepting therefrom: commencing at the southwest corner of United States Government Lot 6 in said Section 9, running thence North on a division line, between Lots 6 and 7, 1,482.5 feet; thence East and parallel with the south line of said Lot 6 about 872 feet to the Minnesota River; thence down the Minnesota River to a point due North of the southeast corner of said Lot 6; thence South 500 feet to the southeast corner of said Lot 6; thence West along the south line of said Lot 6 to the place of beginning, said exception containing 40 acres, more or less, and being a part of said Lot 6.

(d) The land borders the Minnesota River and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to Tribal ownership.

Sec. 15. **CONVEYANCE OF SURPLUS STATE LAND; REDWOOD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.298, or any other law to the contrary, upon approval by the Minnesota Historical Society's Executive Council, the director of the Minnesota Historical Society may convey to the Lower Sioux Indian Community in the state of Minnesota, for no consideration, the surplus land and real property that is described in paragraph (c).

(b) The Minnesota Historical Society may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Redwood County and is described as:

(1) that part of the Northwest Quarter of the Northwest Quarter of Section 8, Township 112, Range 34, Redwood County, Minnesota, lying North of the following described line: Commencing at the northwest corner of said Section 8; thence on an assumed bearing of South 00 degrees 00 minutes 00 seconds East along the west line of said Section 8, a distance of 696.45 feet to the centerline of C.S.A.H. No. 2 as shown on REDWOOD COUNTY RIGHT OF WAY PLAT NO. 3 C.S.A.H. NUMBER 2 as of public record, Redwood County, Minnesota, said point being the point of beginning of the following described line; thence on a bearing of South 62 degrees 28 minutes 55 seconds East along last said centerline, 25.95 feet; thence southeasterly 571.04 feet along last said centerline, along a tangent curve concave to the northeast, having a radius of 1,432.4 feet and a central angle of 22 degrees 50 minutes 30 seconds; thence on a bearing of South 00 degrees 0 minutes 00 seconds East, not tangent to last said curve, 123.98 feet; thence on a bearing of North 89 degrees 54 minutes 50 seconds East, 729.36 feet to the east line of said Northwest Quarter of the Northwest Quarter and said line there terminating. Subject to easements of record. Subject to the rights of the public in C.S.A.H. No. 2;

(2) that part of the Northeast Quarter of the Northwest Quarter of Section 8, Township 112, Range 34, Redwood County, Minnesota, described as follows: Commencing at the northeast corner of said Northeast Quarter of the Northwest Quarter; thence on an assumed bearing of South 00 degrees 20 minutes 07 seconds East along the east line of said Northeast Quarter of the Northwest Quarter, a distance of 569.40 feet; thence on a bearing of South 79 degrees 56 minutes 34 seconds West, 170.15 feet; thence on a bearing of South 26 degrees 08 minutes 59 seconds West, 640.67 feet to the centerline of C.S.A.H. No. 2 as shown on Redwood County Right of Way Plat No. 3 C.S.A.H Number 2 as of public record, Redwood County, Minnesota, said point being the point of beginning of the tract herein described; thence on a bearing of North 13 degrees 35 minutes 11 seconds West, 618.69 feet; thence on a bearing of South 89 degrees 40 minutes 12 seconds West, 28.75 feet; thence on a bearing of South 00 degrees 19 minutes 48 seconds East, 28.75 feet; thence on a bearing of South 63 degrees 45 minutes 49 seconds West, 776.48 feet to a point on the centerline of said C.S.A.H. No. 2; thence southeasterly 901.55 feet along last said

centerline, along a nontangent curve concave to the southwest, having a radius of 4,540.70 feet, a central angle of 11 degrees 22 minutes 34 seconds and a chord bearing and distance of South 75 degrees 14 minutes 49 seconds East, 900.07 feet to the point of beginning. Subject to easements of record. Subject to the rights of the public in C.S.A.H. No. 2; and

(3) Government Lots 2 and 3 and the North eight acres of the Southeast Quarter of the Northeast Quarter of Section 8 and the North 6.76 acres of Government Lot 7 in Section 9, all being in Township 112 North, Range 34 West, Redwood County, Minnesota. Subject to easements of record.

(d) The Minnesota Historical Society has determined that the state's land management interests and interpretive program interests would best be served if portions of the Lower Sioux Agency Historic Site were conveyed to the Lower Sioux Indian Community in the state of Minnesota.

Sec. 16. **PRIVATE SALE OF SURPLUS LAND; ROSEAU COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c) to a watershed district.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Roseau County and is described as: All that part of the Northeast Quarter of the Southeast Quarter of Section 23, Township 163 North, Range 41 West of the Fifth Principal Meridian, Roseau County, Minnesota, described as follows: Beginning at the northwest corner of the Northeast Quarter of the Southeast Quarter of said Section 23; thence on a bearing based on the Roseau County Coordinate System (NAD83, 1996 Adjustment) of South 89 degrees 49 minutes 33 seconds East, along the north line of said Northeast Quarter of the Southeast Quarter, a distance of 1,319.93 feet to the northeast corner of said Northeast Quarter of the Southeast Quarter, said northeast corner also being a point on the northwesterly right-of-way line of the exterior ditch of the northwest embankment of the Roseau Lake rehabilitation project; thence South 52 degrees 53 minutes 46 seconds West, along said northwesterly right-of-way line, a distance of 1,651.76 feet, more or less, to the west line of said Northeast Quarter of the Southeast Quarter; thence North 00 degrees 08 minutes 50 seconds West, along said west line, a distance of 1,000.46 feet to the point of beginning. Said parcel contains 15.1 acres, more or less.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to a watershed district.

Sec. 17. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) the East 4.97 feet of Lot 1, Block 19, Gilbert, Township 58, Range 17, Section 23 (parcel number 060-0010-04190);

(2) beginning at a point 170 feet West of the northeast corner of said forty; thence West a distance of 170 feet to a point; thence South a distance of 256.5 feet to a point; thence continuing a parallel line East a distance of 170 feet to a point; thence continuing a parallel line North a distance of 256.5 feet to the point of beginning and being in the Northwest Quarter of the Northeast Quarter, containing approximately 1 acre of land, Township 57, Range 21, Section 21 (part of parcel number 141-0050-03594);

(3) the North Half and the Northwest Quarter of the Southwest Quarter and the West Half of the Southeast Quarter, Township 52, Range 13, Section 23 (part of parcel number 485-0010-03610);

(4) all of Section 5, except the South Half of the Northeast Quarter and except the Northeast Quarter of the Southwest Quarter and except the railway right-of-way, .94 acres, Township 53, Range 15, Section 5 (part of parcel number 660-0010-00660); and

(5) that part lying within the East Half of Lot 1 lying South of St. Louis County Road 23 described as follows: commencing at the northwest corner of Section 19, Township 65, Range 21; thence East along the section line 661.2 feet; thence at right angles South 285 feet to the point of beginning; thence South 315 feet; thence at right angle East 250 feet; thence at right angle North 315 feet; thence West to the point of beginning, except that part of the Northwest Quarter of the Northwest Quarter described as follows: commencing at the northwest corner; thence North 89 degrees 38 minutes 14 seconds East along the north line 661.2 feet; thence South 0 degrees 21 minutes 46 seconds East 456.90 feet; thence North 89 degrees 38 minutes 14 seconds East 19.82 feet to the easterly right-of-way of Westley Drive and the point of beginning; thence South 3 degrees 59 minutes 44 seconds West along said easterly right-of-way 76.03 feet; thence North 89 degrees 38 minutes 14 seconds East 207.13 feet; thence North 0 degrees 21 minutes 46 seconds West 162.42 feet; thence North 57 degrees 40 minutes 44 seconds West 210.75 feet to the intersection of said easterly right-of-way; thence South 19 degrees 7 minutes 59 seconds West along said easterly right-of-way 33.23 feet; thence South 3 degrees 59 minutes 44 seconds West along said easterly right-of-way 30.28 feet; thence North 89 degrees 38 minutes 14 seconds East 33.58 feet; thence South 31 degrees 11 minutes 36 seconds East 112.47 feet; thence South 67 degrees 3 minutes 53 seconds West 110.25 feet to said easterly right-of-way and the point of beginning, Township 65, Range 21, Section 19 (parcel number 760-0040-00533).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 18. **PRIVATE SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATERS; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may sell by private sale the tax-forfeited lands bordering public waters that are described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 101, Echo Point, Town of Breitung, Township 62, Range 15, Section 19 (parcel number 270-0070-01010);

(2) the Northeast Quarter, except the Southwest Quarter, and the Southeast Quarter, except the Northwest Quarter, Township 54, Range 16, Section 22 (part of parcel number 305-0010-03530); and

(3) Government Lots 6 and 7, except that part of Government Lot 6 lying North of the quarter line of Section 32, Township 69, Range 19 (part of parcel number 732-0010-04150).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 19. **REPEALER.**

Minnesota Statutes 2022, sections 85.012, subdivisions 27b and 58; and 138.662, subdivision 33, are repealed.

Sec. 20. **EFFECTIVE DATE.**

Unless otherwise provided, this article is effective the day following final enactment.

ARTICLE 9
MISCELLANEOUS

Section 1. Minnesota Statutes 2023 Supplement, section 116P.09, subdivision 6, is amended to read:

Subd. 6. **Conflict of interest.** (a) A commission member, a technical advisory committee member, a peer reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review relating to an organization in which the member, peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission or technical advisory committee or as a peer reviewer or while an employee of the commission, a person must avoid any potential conflict of interest.

(b) A commission member may not vote on a motion regarding the purchase of land under section 116P.18 or the final recommendations of the commission required under section 116P.05, subdivision 2, paragraph (a), if the motion relates to an organization in which the member has a direct personal financial interest. If a commission member is prohibited from voting under this paragraph, the number of affirmative votes required under section 116P.05, subdivision 2, paragraph (a), or section 116P.18 is reduced by the number of members ineligible to vote under this paragraph.

Sec. 2. Minnesota Statutes 2023 Supplement, section 116P.18, is amended to read:

116P.18 LANDS IN PUBLIC DOMAIN.

Money appropriated from the trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

(2) the purchase is approved, prior to the acquisition, by an affirmative vote of at least 11 members of the commission, except as provided under section 116P.09, subdivision 6, paragraph (b).

Sec. 3. **[473.355] COMMUNITY TREE-PLANTING GRANTS.**

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

(b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value.

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 2. **Grants.** (a) The Metropolitan Council must establish a grant program to provide grants to cities, counties, townships, and implementing agencies for the following purposes:

(1) removing and planting shade trees on public land to provide environmental benefits;

(2) replacing trees lost to forest pests, disease, or storms; and

(3) establishing a more diverse community forest better able to withstand disease and forest pests.

(b) Any tree planted with money granted under this section must be a climate-adapted species to Minnesota.

Subd. 3. **Priority.** Priority for grants awarded under this section must be given to:

(1) projects removing and replacing ash trees that pose significant public safety concerns; and

(2) projects located in a census block group with a supplemental demographic index score in the 70th percentile or higher within the state of Minnesota."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources; modifying prior appropriations; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying disposition of certain state revenue and state property; modifying remedies, penalties, and enforcement; providing for boat wrap product stewardship; providing for recovery of certain state and county costs; prohibiting certain mercury-containing lighting; establishing and modifying grant programs; providing for coordinated environmental review; modifying snowmobile requirements; modifying use of state lands; providing for tree planting; providing for gas and oil exploration and production leases and permits on state-owned land; modifying state park provisions; providing for sales, conveyances, and leases of certain state lands; modifying forestry provisions; modifying game and fish laws; modifying Water Law; establishing Packaging Waste and Cost Reduction Act; providing for domestic hog control; modifying fur farm provisions; creating accounts; modifying and providing for fees; creating task force; providing criminal penalties; requiring studies and reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.7931, by adding a subdivision; 16A.125, subdivision 5; 84.027, subdivision 12; 84.033, subdivision 3; 84.0895, subdivisions 1, 8; 84.788, subdivisions 5a, 6; 84.871; 84B.061, as amended; 85.015, subdivision 1b; 88.82; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 93.222; 93.25, subdivisions 1, 2; 94.343, subdivision 8a; 94.3495, by adding a subdivision; 97A.015, by adding a subdivision; 97A.105; 97A.341, subdivisions 1, as amended, 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, subdivision 2, by adding a subdivision; 97B.022, subdivisions 2, 3; 97B.667, subdivision 3; 97C.001, subdivision 2; 97C.005, subdivision 2; 97C.395, as amended; 97C.411; 103B.101, subdivisions 12, 12a, by adding a subdivision; 103F.211, subdivision 1; 103F.48, subdivision 7; 103G.005, subdivision 15; 103G.201; 103G.315, subdivision 15; 115.071, subdivisions 1, 3, 4, by adding a subdivision; 115.073; 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; 97B.071; 103B.104; 103G.301, subdivision 2; 115.03, subdivision 1; 116P.09, subdivision 6; 116P.18; 297A.94; Laws 2023, chapter 60, article 1, section 3, subdivisions 3, 10; article 3, section 35; article 4, section 109;

article 8, section 6, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 86B; 93; 97A; 97C; 115A; 116; 282; 473; repealing Minnesota Statutes 2022, sections 17.353; 85.012, subdivisions 27b, 58; 97B.802; 115A.5501; 138.662, subdivision 33."

We request the adoption of this report and repassage of the bill.

House Conferees: RICK HANSEN, KRISTI PURSELL, LEIGH FINKE and SYDNEY JORDAN.

Senate Conferees: FOUNG HAWJ, JENNIFER MCEWEN, KELLY MORRISON and LIZ BOLDON.

Hansen, R., moved that the report of the Conference Committee on H. F. No. 3911 be adopted and that the bill be repassed as amended by the Conference Committee.

Schultz was excused between the hours of 5:45 p.m. and 9:05 p.m.

Heintzeman moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 3911 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

Hortman was excused between the hours of 6:20 p.m. and 7:35 p.m.

Demuth was excused between the hours of 6:30 p.m. and 7:40 p.m.

The question was taken on the Heintzeman motion and the roll was called. There were 56 yeas and 68 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

Hornstein	Kotyza-Witthuhn	Lislegard	Olson, L.	Reyer	Wolgamott
Howard	Kozlowski	Long	Pelowski	Sencer-Mura	Xiong
Huot	Kraft	Moller	Pérez-Vega	Smith	Youakim
Jordan	Lee, F.	Nelson, M.	Pinto	Stephenson	
Keeler	Lee, K.	Newton	Pryor	Tabke	
Klevorn	Liebling	Noor	Pursell	Vang	
Koegel	Lillie	Norris	Rehm	Virnig	

The motion did not prevail.

The question recurred on the Hansen, R., motion that the report of the Conference Committee on H. F. No. 3911 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Speaker pro tempore Tabke called Moller to the Chair.

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 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 70 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Acomb	Becker-Finn	Brand	Clardy	Edelson	Finke
Agbaje	Berg	Carroll	Coulter	Elkins	Fischer
Bahner	Bierman	Cha	Curran	Feist	Frazier

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

Those who voted in the negative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 4097.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

THOMAS S. BOTTERN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 4097

A bill for an act relating to commerce; adding and modifying various provisions related to insurance; regulating financial institutions; modifying provisions governing financial institutions; providing for certain consumer protections and privacy; modifying provisions governing commerce; making technical changes; establishing civil and criminal penalties; authorizing administrative rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 58B.02, subdivision 8,

by adding a subdivision; 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24; 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2; 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement, sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2, sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 65A; 325F; 325G; 332; 507; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8.

May 12, 2024

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Melissa Hortman
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 4097 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 4097 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
INSURANCE

Section 1. Minnesota Statutes 2022, section 60A.201, is amended by adding a subdivision to read:

Subd. 6. **Coverage deemed unavailable.** Coverage for a risk that was referred to a surplus lines broker by a Minnesota licensed insurance producer who is not affiliated with the surplus lines broker is deemed unavailable from a licensed insurer.

Sec. 2. **[60A.43] DISABILITY INCOME COVERAGE; DISCLOSURE.**

(a) No contract or policy of long-term disability insurance that limits the duration of coverage for mental health or substance use disorders shall be offered in this state without a disclosure, provided at the time of application, that includes the following:

(1) a notification that the long-term disability coverage selected by the potential policyholder or plan sponsor limits the duration of coverage for mental health or substance use disorders; and

(2) that the potential policyholder or plan sponsor has the right to request more information about the limitation and other coverage options that include an unlimited duration, if available.

(b) Receipt of the disclosure described in paragraph (a) must be acknowledged by the potential policyholder or plan sponsor and evidence of the disclosure and acknowledgment must be retained by the insurance company offering the coverage for a period of no less than two years.

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

Sec. 3. **[61A.012] ANNUAL NOTICE REQUIRED.**

Subdivision 1. **Annual notice required.** For each policy of individual life insurance issued or delivered in Minnesota, a life insurance company must provide a written notice to the policyholder that contains the following information, as applicable:

(1) the policyholder;

(2) the policy number;

(3) the insured life; and

(4) the current contact information for the life insurance company.

Subd. 2. **Notice requirements.** The notice required under this section must be provided by the life insurance company to the policyholder at least once per calendar year, sent via United States mail to the policyholder's last known address or electronically to the policyholder's last known email address.

Subd. 3. **Compliance with other law.** This section's annual notice requirement is satisfied by an annual report provided by a life insurance company to a policyholder pursuant to and in compliance with section 61A.735.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to policies offered, issued, or renewed on or after that date.

Sec. 4. Minnesota Statutes 2023 Supplement, section 61A.031, is amended to read:

61A.031 SUICIDE PROVISIONS.

(a) The ~~sanity or insanity~~ mental competency of a person shall not be a factor in determining whether a person ~~committed~~ completed suicide within the terms of an individual or group life insurance policy regulating the payment of benefits in the event of the insured's suicide. This paragraph shall not be construed to alter present law but is intended to clarify present law.

(b) A life insurance policy or certificate issued or delivered in this state may exclude or restrict liability for any death benefit in the event the insured dies as a result of suicide within one year from the date of the issue of the policy or certificate. Any exclusion or restriction shall be clearly stated in the policy or certificate. Any life insurance policy or certificate which contains any exclusion or restriction under this paragraph shall also provide that in the event any death benefit is denied because the insured dies as a result of suicide within one year from the date of issue of the policy or certificate, the insurer shall refund all premiums paid for coverage providing the denied death benefit on the insured.

Sec. 5. Minnesota Statutes 2023 Supplement, section 62Q.522, subdivision 1, is amended to read:

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

~~(b) "Closely held for-profit entity" means an entity that:~~

~~(1) is not a nonprofit entity;~~

~~(2) has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer owners; and~~

~~(3) has no publicly traded ownership interest.~~

~~For purposes of this paragraph:~~

~~(i) ownership interests owned by a corporation, partnership, limited liability company, estate, trust, or similar entity are considered owned by that entity's shareholders, partners, members, or beneficiaries in proportion to their interest held in the corporation, partnership, limited liability company, estate, trust, or similar entity;~~

~~(ii) ownership interests owned by a nonprofit entity are considered owned by a single owner;~~

~~(iii) ownership interests owned by all individuals in a family are considered held by a single owner. For purposes of this item, "family" means brothers and sisters, including half brothers and half sisters, a spouse, ancestors, and lineal descendants; and~~

~~(iv) if an individual or entity holds an option, warrant, or similar right to purchase an ownership interest, the individual or entity is considered to be the owner of those ownership interests.~~

~~(c)~~ (b) "Contraceptive method" means a drug, device, or other product approved by the Food and Drug Administration to prevent unintended pregnancy.

~~(d)~~ (c) "Contraceptive service" means consultation, examination, procedures, and medical services related to the prevention of unintended pregnancy, excluding vasectomies. This includes but is not limited to voluntary sterilization procedures, patient education, counseling on contraceptives, and follow-up services related to contraceptive methods or services, management of side effects, counseling for continued adherence, and device insertion or removal.

~~(e) "Eligible organization" means an organization that opposes providing coverage for some or all contraceptive methods or services on account of religious objections and that is:~~

~~(1) organized as a nonprofit entity and holds itself out to be religious; or~~

~~(2) organized and operates as a closely held for-profit entity, and the organization's owners or highest governing body has adopted, under the organization's applicable rules of governance and consistent with state law, a resolution or similar action establishing that the organization objects to covering some or all contraceptive methods or services on account of the owners' sincerely held religious beliefs.~~

~~(f) "Exempt organization" means an organization that is organized and operates as a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.~~

~~(g)~~ (d) "Medical necessity" includes but is not limited to considerations such as severity of side effects, difference in permanence and reversibility of a contraceptive method or service, and ability to adhere to the appropriate use of the contraceptive method or service, as determined by the attending provider.

~~(h)~~ (e) "Therapeutic equivalent version" means a drug, device, or product that can be expected to have the same clinical effect and safety profile when administered to a patient under the conditions specified in the labeling, and that:

(1) is approved as safe and effective;

(2) is a pharmaceutical equivalent: (i) containing identical amounts of the same active drug ingredient in the same dosage form and route of administration; and (ii) meeting compendial or other applicable standards of strength, quality, purity, and identity;

(3) is bioequivalent in that:

(i) the drug, device, or product does not present a known or potential bioequivalence problem and meets an acceptable in vitro standard; or

(ii) if the drug, device, or product does present a known or potential bioequivalence problem, it is shown to meet an appropriate bioequivalence standard;

(4) is adequately labeled; and

(5) is manufactured in compliance with current manufacturing practice regulations.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 6. Minnesota Statutes 2023 Supplement, section 62Q.523, subdivision 1, is amended to read:

Subdivision 1. **Scope of coverage.** Except as otherwise provided in section ~~62Q.522~~ 62Q.679, subdivisions 2 and 3 ~~and 4~~, all health plans that provide prescription coverage must comply with the requirements of this section.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 7. **[62Q.585] GENDER-AFFIRMING CARE COVERAGE; MEDICALLY NECESSARY CARE.**

Subdivision 1. **Requirement.** No health plan that covers physical or mental health services may be offered, sold, issued, or renewed in this state that:

(1) excludes coverage for medically necessary gender-affirming care; or

(2) requires gender-affirming treatments to satisfy a definition of "medically necessary care," "medical necessity," or any similar term that is more restrictive than the definition provided in subdivision 2.

Subd. 2. **Minimum definition.** "Medically necessary care" means health care services appropriate in terms of type, frequency, level, setting, and duration to the enrollee's diagnosis or condition and diagnostic testing and preventive services. Medically necessary care must be consistent with generally accepted practice parameters as determined by health care providers in the same or similar general specialty as typically manages the condition, procedure, or treatment at issue and must:

(1) help restore or maintain the enrollee's health; or

(2) prevent deterioration of the enrollee's condition.

Subd. 3. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Gender-affirming care" means all medical, surgical, counseling, or referral services, including telehealth services, that an individual may receive to support and affirm the individual's gender identity or gender expression and that are legal under the laws of this state.

(c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages listed in section 62A.011, subdivision 3, clauses (7) and (10).

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

Sec. 8. **[62Q.679] RELIGIOUS OBJECTIONS.**

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

(b) "Closely held for-profit entity" means an entity that is not a nonprofit entity, has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer owners, and has no publicly traded ownership interest. For purposes of this paragraph:

(1) ownership interests owned by a corporation, partnership, limited liability company, estate, trust, or similar entity are considered owned by that entity's shareholders, partners, members, or beneficiaries in proportion to their interest held in the corporation, partnership, limited liability company, estate, trust, or similar entity;

(2) ownership interests owned by a nonprofit entity are considered owned by a single owner;

(3) ownership interests owned by all individuals in a family are considered held by a single owner. For purposes of this clause, "family" means brothers and sisters, including half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

(4) if an individual or entity holds an option, warrant, or similar right to purchase an ownership interest, the individual or entity is considered to be the owner of those ownership interests.

(c) "Eligible organization" means an organization that opposes covering some or all health benefits under section 62Q.522 or 62Q.585 on account of religious objections and that is:

(1) organized as a nonprofit entity and holds itself out to be religious; or

(2) organized and operates as a closely held for-profit entity, and the organization's owners or highest governing body has adopted, under the organization's applicable rules of governance and consistent with state law, a resolution or similar action establishing that the organization objects to covering some or all health benefits under section 62Q.522 or 62Q.585 on account of the owners' sincerely held religious beliefs.

(d) "Exempt organization" means an organization that is organized and operates as a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.

Subd. 2. **Exemption.** (a) An exempt organization is not required to provide coverage under section 62Q.522 or 62Q.585 if the exempt organization has religious objections to the coverage. An exempt organization that chooses to not provide coverage pursuant to this paragraph must notify employees as part of the hiring process and must notify all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(b) If the exempt organization provides partial coverage under section 62Q.522 or 62Q.585, the notice required under paragraph (a) must provide a list of the portions of such coverage which the organization refuses to cover.

Subd. 3. **Accommodation for eligible organizations.** (a) A health plan established or maintained by an eligible organization complies with the coverage requirements of section 62Q.522 or 62Q.585, with respect to the health benefits identified in the notice under this paragraph, if the eligible organization provides notice to any health plan company with which the eligible organization contracts that it is an eligible organization and that the eligible organization has a religious objection to coverage for all or a subset of the health benefits under section 62Q.522 or 62Q.585.

(b) The notice from an eligible organization to a health plan company under paragraph (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to coverage for some or all of the health benefits under section 62Q.522 or 62Q.585, including a list of the health benefits to which the eligible organization objects, if applicable; and (3) the health plan name. The notice must be executed by a person authorized to provide notice on behalf of the eligible organization.

(c) An eligible organization must provide a copy of the notice under paragraph (a) to prospective employees as part of the hiring process and to all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(d) A health plan company that receives a copy of the notice under paragraph (a) with respect to a health plan established or maintained by an eligible organization must, for all future enrollments in the health plan:

(1) expressly exclude coverage for those health benefits identified in the notice under paragraph (a) from the health plan; and

(2) provide separate payments for any health benefits required to be covered under section 62Q.522 or 62Q.585 for enrollees as long as the enrollee remains enrolled in the health plan.

(e) The health plan company must not impose any cost-sharing requirements, including co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522 on the enrollee. The health plan company must not directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522 or 62Q.585 on the eligible organization or health plan.

(f) On January 1, 2024, and every year thereafter a health plan company must notify the commissioner, in a manner determined by the commissioner, of the number of eligible organizations granted an accommodation under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 9. Minnesota Statutes 2022, section 65A.29, is amended by adding a subdivision to read:

Subd. 8a. **Losses resulting from lightning, wind, rain, or hail.** (a) An insurer may refuse to renew a policy of homeowner's insurance if the insured had three or more covered losses each over $10,000 resulting from lightning, wind, rain, or hail during the five-year period immediately preceding the refusal to renew.

(b) If an insurer elects to not renew a policy of homeowner's insurance under paragraph (a), the insurer must provide the insured 60 days' advance notice of the insurer's intention to make the election. The notice must specify the reason for the refusal to renew and must inform the insured of the possibility of coverage through the Minnesota FAIR plan under sections 65A.31 to 65A.42.

(c) An insurer writing homeowner's insurance for property located in Minnesota must annually report to the commissioner the number of policies not renewed under paragraph (a).

(d) An insurer may, at the end of a homeowner's insurance policy period, offer to reduce the policy's coverage by revising the policy's deductible to a percentage-based deductible solely for losses resulting from lightning, wind, rain, or hail without complying with the nonrenewal rules in Minnesota Rules, chapter 2880, provided:

(1) the percentage-based deductible only obligates the insured to pay that percentage of the cost, at the time any loss or damage occurs, to actually repair, rebuild, or replace the insured property;

(2) the insurer provides the insured at least 60 days' advance notice of the insurer's offer to revise the deductible in a manner consistent with this section;

(3) the 60 days' notice the insurer provides to the insured clearly and fully discloses in plain language all details pertaining to the revised deductible, including an example of how the deductible works in the event of an insured loss resulting from lightning, wind, rain, or hail with the percentage the consumer is obligated to pay when applied to the cost of repair; and

(4) the insurer offers the insured at least one reasonable flat-dollar deductible option that does not exceed the highest percentage deductible policy in lieu of the percentage-based deductible. The offer under this clause must be included in the 60 days' notice the insurer provides to the insured. The 60 days' notice must also clearly and conspicuously disclose that if the insured fails to elect the percentage-based deductible but renews the policy, the policy's deductible is the flat-dollar deductible.

Sec. 10. **[65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES; COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.**

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

(b) "Assessable loss" means a covered loss under the terms of a policy governed by subdivision 2, paragraph (a) or (b).

(c) "Association" has the meaning given in section 515B.1-103, clause (4).

(d) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

Subd. 2. **Loss assessment.** (a) If a loss assessment is charged by an association to an individual unit owner, the insurance policy in force at the time of the assessable loss must pay the loss assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the assessable loss is the owner of the property listed on the policy at the time the loss assessment is charged;

(2) the insurance policy in force at the time of the assessable loss provides loss assessment coverage; and

(3) a loss assessment and the event or occurrence which triggers a loss assessment shall be considered a single loss for underwriting and rating purposes.

(b) If a loss assessment is charged by an association to an individual unit owner, the insurance policy in force at the time the loss assessment is charged must pay the assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the loss assessment is charged is different than the unit owner at the time of the assessable loss; and

(2) the insurance policy in force at the time the loss assessment is charged provides loss assessment coverage.

(c) For a loss assessment under paragraph (b), an insurer may require evidence documenting that the transfer of ownership occurred prior to the assessment before the insurer affords coverage.

Sec. 11. Minnesota Statutes 2022, section 67A.01, subdivision 2, is amended to read:

Subd. 2. **Authorized territory.** (a) A township mutual fire insurance company may be authorized to write business in up to nine adjoining counties in the aggregate at the same time. If policyholder surplus is at least $500,000 as reported in the company's last annual financial statement filed with the commissioner, the company may, if approval has been granted by the commissioner, be authorized to write business in ten or more counties in the aggregate at the same time, subject to a maximum of ~~20~~ 30 adjoining counties, in accordance with the following schedule:

Number of Counties	Surplus Requirement
10	$500,000
11	600,000
12	700,000
13	800,000
14	900,000
15	1,000,000
16	1,100,000
17	1,200,000
18	1,300,000
19	1,400,000
20	1,500,000
21	1,600,000
22	1,700,000
23	1,800,000
24	1,900,000
25	2,000,000
26	2,100,000
27	2,200,000
28	2,300,000
29	2,400,000
30	2,500,000

(b) In the case of a merger of two or more companies having contiguous territories, the surviving company in the merger may transact business in the entire territory of the merged companies; however, the territory of the surviving company in the merger ~~may not be larger than 20~~ must be approved by the commissioner and may not be in excess of 30 counties, provided the company complies with the additional reporting requirements stipulated in paragraph (g).

(c) Notwithstanding paragraph (b), a policy issued by a constituent company to the merger may remain effective, without respect to the policy being issued in a county outside the territory of the surviving company, until the policy:

(1) expires or is terminated by the policy's terms; or

(2) is terminated or annulled and canceled in accordance with section 67A.18.

The surviving company must not amend or renew a policy issued in a county outside the surviving company's territory.

~~(c)~~ (d) A township mutual fire insurance company may write new and renewal insurance on property in cities within the company's authorized territory having a population less than 25,000. A township mutual fire insurance company may continue to write new and renewal insurance once the population increases to 25,000 or greater provided that amended and restated articles are filed with the commissioner along with a certification that such city's population has increased to 25,000 or greater.

~~(d)~~ (e) A township mutual fire insurance company may write new and renewal insurance on property in cities within the company's authorized territory with a population of 25,000 or greater, but less than 150,000, if approval has been granted by the commissioner. No township mutual fire insurance company shall insure any property in cities with a population of 150,000 or greater.

~~(e)~~ (f) If a township mutual fire insurance company provides evidence to the commissioner that the company had insurance in force on December 31, 2007, in a city within the company's authorized territory with a population of 25,000 or greater, but less than 150,000, the company may write new and renewal insurance on property in that city provided that the company files amended and restated articles by July 31, 2010, naming that city.

(g) If a surviving company of a merger writes in more than 20 counties, that company must report to the commissioner the following items on a quarterly basis:

(1) income statement;

(2) balance sheet;

(3) insurance in force; and

(4) number of policies.

Sec. 12. Minnesota Statutes 2022, section 67A.14, subdivision 1, is amended to read:

Subdivision 1. **Kinds of property; property outside authorized territory.** (a) Township mutual fire insurance companies may insure qualified property. Qualified property means dwellings, household goods, appurtenant structures, farm buildings, farm personal property, churches, church personal property, county fair buildings, community and township meeting halls and their usual contents.

(b) Township mutual fire insurance companies may extend coverage to include an insured's secondary property if the township mutual fire insurance company covers qualified property belonging to the insured. Secondary property means any real or personal property that is not considered qualified property for a township mutual fire insurance company to cover under this chapter. The maximum amount of coverage that a township mutual fire insurance company may write for secondary property is 25 percent of the total limit of liability of the policy issued to an insured covering the qualified property.

(c) A township mutual fire insurance company may insure any real or personal property, including qualified or secondary property, subject to the limitations in subdivision 1, paragraph (b), located outside the limits of the territory in which the company is authorized by its certificate or articles of incorporation to transact business, if the company is already covering qualified property belonging to the insured, inside the limits of the company's territory. For purposes of this paragraph, qualified property inside the limits of the company's territory includes qualified property outside the territory of the surviving company to a merger for the duration of the policy insuring the qualified property if the qualified property was qualified property inside the territory of a constituent company to the merger.

(d) A township mutual fire insurance company may insure property temporarily outside of the authorized territory of the township mutual fire insurance company.

Sec. 13. Minnesota Statutes 2022, section 72A.20, subdivision 13, is amended to read:

Subd. 13. **Refusal to renew.** (a) Refusing to renew, declining to offer or write, or charging differential rates for an equivalent amount of homeowner's insurance coverage, as defined by section 65A.27, for property located in a town or statutory or home rule charter city, in which the insurer offers to sell or writes homeowner's insurance, solely because:

~~(a)~~ (1) of the geographic area in which the property is located;

~~(b)~~ (2) of the age of the primary structure sought to be insured;

~~(c)~~ (3) the insured or prospective insured was denied coverage of the property by another insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e);

~~(d)~~ (4) the property of the insured or prospective insured has been insured under the Minnesota FAIR Plan Act, shall constitute an unfair method of competition and an unfair and deceptive act or practice; or

~~(e)~~ (5) the insured has inquired about coverage for a hypothetical claim or has made an inquiry to the insured's agent regarding a potential claim.

~~This subdivision prohibits an insurer from filing or charging different rates for different zip code areas within the same town or statutory or home rule charter city.~~

(b) An insurer must not establish more than one geographical rating territory within the same city of the first class or city of the second class that has 60,000 or more inhabitants. For purposes of compliance with this paragraph: (1) the population of the cities subject to this paragraph is determined by the preceding United States decennial census, as reported by the Minnesota State Demographic Center; and (2) the territorial boundaries of the cities subject to this paragraph are the boundaries as the boundaries exist on December 31 in years ending in 0 or 5, whichever is more recent. Any revisions to the rating manual resulting from a change in the territorial boundaries or population must be filed with the commissioner within 120 days of the date the data are reported.

(c) This subdivision shall not prohibit the insurer from applying underwriting or rating standards which the insurer applies generally in all other locations in the state and which are not specifically prohibited by clauses (a) to (e). Such underwriting or rating standards shall specifically include but not be limited to standards based upon the proximity of the insured property to an extraordinary hazard or based upon the quality or availability of fire protection services or based upon the density or concentration of the insurer's risks. Clause (b) shall not prohibit the use of rating standards based upon the age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 65A.29, subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.

Sec. 14. Minnesota Statutes 2022, section 325E.66, subdivision 1, is amended to read:

Subdivision 1. **~~Payment or rebate of insurance deductible~~ Residential contractor; prohibited insurance practices.** (a) A residential contractor providing home repair or improvement services to be paid by an insured from the proceeds of a property or casualty insurance policy shall not~~,~~:

(1) as an inducement to the sale or provision of goods or services to an insured, advertise or promise to pay, directly or indirectly, all or part of any applicable insurance deductible or offer to compensate an insured for providing any service to the insured. The prohibition under this clause includes but is not limited to offering compensation in exchange for:

(i) allowing the residential contractor to conduct an inspection of the covered property;

(ii) making an insurance claim for damage to the covered property; or

(iii) referring the residential contractor's services to others when insurance proceeds are payable;

(2) provide an insured with an agreement authorizing repairs without also providing a good faith estimate of the itemized and detailed cost of services and materials undertaken pursuant to a property and casualty claim; or

(3) interpret policy provisions or advise an insured regarding coverages or duties under the insured's policy, or adjust a property insurance claim on behalf of the insured, unless the contractor has a license as a public adjuster under chapter 72B.

(b) If a residential contractor violates this section, the insurer to whom the insured tendered the claim shall not be obligated to consider the estimate prepared by the residential contractor. The residential contractor must provide a written notification of the requirements of this section with its initial estimate. The adjuster or insurer must provide a written notification of the requirements of this section in the initial estimate relating to the claim.

(c) For purposes of this section, "residential contractor" means a residential roofer, as defined in section 326B.802, subdivision 14; a residential building contractor, as defined in section 326B.802, subdivision 11; and a residential remodeler, as defined in section 326B.802, subdivision 12.

Sec. 15. Minnesota Statutes 2022, section 471.6161, subdivision 8, is amended to read:

Subd. 8. **School districts; group health insurance coverage.** (a) Any entity providing group health insurance coverage to a school district must provide the school district with school district-specific nonidentifiable aggregate claims records for the most recent 24 months within 30 days of the request.

(b) School districts shall request proposals for group health insurance coverage as provided in subdivision 2 from a minimum of three potential sources of coverage. One of these requests must go to an administrator governed by chapter 43A. Entities referenced in subdivision 1 must respond to requests for proposals received directly from a school district. School districts that are self-insured must also follow these provisions, except as provided in paragraph ~~(f)~~ (g). School districts must make requests for proposals at least 150 days prior to the expiration of the existing contract but not more frequently than once every 24 months. The request for proposals must include the most recently available 24 months of nonidentifiable aggregate claims data. The request for proposals must be publicly released at or prior to its release to potential sources of coverage.

(c) School district contracts for group health insurance must not be longer than two years unless the exclusive representative of the largest employment group and the school district agree otherwise.

(d) All proposals for group health insurance coverage, including coverage offered under chapters 43A and 123A, must include the information described in this paragraph for each separate health plan being proposed. The information must be on the first page of each proposal in a summary section and in a separate tabular format. The information must use a uniform set of assumptions, including but not limited to enrollment projections by plan, enrollment projections by tier, and number of members. Proposals that do not include all of the following information are not eligible to be selected by a school district. All proposals must include the:

(1) structure of the health plan, designating either exclusive provider organization, preferred provider organization, point of service, or health maintenance organization;

(2) health plan actuarial value, using the minimum value calculator described in Code of Federal Regulations, title 45, section 156.145;

(3) type of provider network, designating either narrow network, broad network, narrow tiered network, or broad tiered network;

(4) agent or broker commissions paid as part of the premium, as requested by the proposal, displayed in dollars per member per month;

(5) total premium dollars in the first 12-month period of the quote, not including commissions;

(6) total premium dollars, per member per month, not including commissions; and

(7) number of expected members used for the premium quote calculation.

~~(d)~~ (e) All initial proposals shall be sealed upon receipt until they are all opened no less than 90 days prior to the plan's renewal date in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Section 13.591, subdivision 3, paragraph (b), applies to data in the proposals. The representatives of the exclusive representative must maintain the data according to this classification and are subject to the remedies and penalties under sections 13.08 and 13.09 for a violation of this requirement.

~~(e)~~ (f) A school district, in consultation with the same representatives referenced in paragraph ~~(d)~~ (e), may continue to negotiate with any entity that submitted a proposal under paragraph ~~(d)~~ (e) in order to reduce costs or improve services under the proposal. Following the negotiations any entity that submitted an initial proposal may submit a final proposal incorporating the negotiations, which is due no less than 75 days prior to the plan's renewal date. All the final proposals submitted must be opened at the same time in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b), following the opening of the final proposals, all the proposals, including any made under paragraph ~~(d)~~ (e), and other data submitted in connection with the proposals are public data. The school district may choose from any of the initial or final proposals without further negotiations and in accordance with subdivision 5, but not sooner than 15 days after the proposals become public data.

~~(f)~~ (g) School districts that are self-insured shall follow all of the requirements of this section, except that:

(1) their requests for proposals may be for third-party administrator services, where applicable;

(2) these requests for proposals must be from a minimum of three different sources, which may include both entities referenced in subdivision 1 and providers of third-party administrator services;

(3) for purposes of fulfilling the requirement to request a proposal for group insurance coverage from an administrator governed by chapter 43A, self-insured districts are not required to include in the request for proposal the coverage to be provided;

(4) a district that is self-insured on or before the date of enactment, or that is self-insured with more than 1,000 insured lives, or a district in which the school board adopted a motion on or before May 14, 2014, to approve a self-insured health care plan to be effective July 1, 2014, may, but need not, request a proposal from an administrator governed by chapter 43A;

(5) requests for proposals must be sent to providers no less than 90 days prior to the expiration of the existing contract; and

(6) proposals must be submitted at least 60 days prior to the plan's renewal date and all proposals shall be opened at the same time and in the presence of the exclusive representative, where applicable.

~~(g)~~ (h) Nothing in this section shall restrict the authority granted to school district boards of education by section 471.59, except that districts will not be considered self-insured for purposes of this subdivision solely through participation in a joint powers arrangement.

~~(h)~~ (i) An entity providing group health insurance to a school district under a multiyear contract must give notice of any rate or plan design changes applicable under the contract at least 90 days before the effective date of any change. The notice must be given to the school district and to the exclusive representatives of employees.

Sec. 16. Minnesota Statutes 2022, section 471.617, subdivision 2, is amended to read:

Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same requirements as an individual self-insurer under subdivision 1. Self-insurance pools under this section are subject to section 62L.045. A self-insurance pool established and operated by one or more service cooperatives governed by section 123A.21 to provide coverage described in this subdivision qualifies under this subdivision, but the individual school district members of such a pool shall not be considered to be self-insured for purposes of section 471.6161, subdivision 8, paragraph ~~(f)~~ (g). The commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or guidelines for the operation and administration of self-insurance pools.

Sec. 17. **REPEALER.**

(a) Minnesota Statutes 2022, section 332.3351, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 62Q.522, subdivisions 3 and 4, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

ARTICLE 2
FINANCIAL INSTITUTIONS

Section 1. **[46A.01] DEFINITIONS.**

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

Subd. 2. **Authorized user.** "Authorized user" means any employee, contractor, agent, or other person who: (1) participates in a financial institution's business operations; and (2) is authorized to access and use any of the financial institution's information systems and data.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Consumer.** (a) "Consumer" means an individual who obtains or has obtained from a financial institution a financial product or service that is used primarily for personal, family, or household purposes, or is used by the individual's legal representative. Consumer includes but is not limited to an individual who:

(1) applies to a financial institution for credit for personal, family, or household purposes, regardless of whether the credit is extended;

(2) provides nonpublic personal information to a financial institution in order to obtain a determination whether the individual qualifies for a loan used primarily for personal, family, or household purposes, regardless of whether the loan is extended;

(3) provides nonpublic personal information to a financial institution in connection with obtaining or seeking to obtain financial, investment, or economic advisory services, regardless of whether the financial institution establishes a continuing advisory relationship with the individual; or

(4) has a loan for personal, family, or household purposes in which the financial institution has ownership or servicing rights, even if the financial institution or one or more other institutions that hold ownership or servicing rights in conjunction with the financial institution hires an agent to collect on the loan.

(b) Consumer does not include an individual who:

(1) is a consumer of another financial institution that uses a different financial institution to act solely as an agent for, or provide processing or other services to, the consumer's financial institution;

(2) designates a financial institution solely for the purposes to act as a trustee for a trust;

(3) is the beneficiary of a trust for which the financial institution serves as trustee; or

(4) is a participant or a beneficiary of an employee benefit plan that the financial institution sponsors or for which the financial institution acts as a trustee or fiduciary.

Subd. 5. **Continuing relationship.** (a) "Continuing relationship" means a consumer:

(1) has a credit or investment account with a financial institution;

(2) obtains a loan from a financial institution;

(3) purchases an insurance product from a financial institution;

(4) holds an investment product through a financial institution, including but not limited to when the financial institution acts as a custodian for securities or for assets in an individual retirement arrangement;

(5) enters into an agreement or understanding with a financial institution whereby the financial institution undertakes to arrange or broker a home mortgage loan, or credit to purchase a vehicle, for the consumer;

(6) enters into a lease of personal property on a nonoperating basis with a financial institution;

(7) obtains financial, investment, or economic advisory services from a financial institution for a fee;

(8) becomes a financial institution's client to obtain tax preparation or credit counseling services from the financial institution;

(9) obtains career counseling while: (i) seeking employment with a financial institution or the finance, accounting, or audit department of any company; or (ii) employed by a financial institution or department of any company;

(10) is obligated on an account that a financial institution purchases from another financial institution, regardless of whether the account is in default when purchased, unless the financial institution does not locate the consumer or attempt to collect any amount from the consumer on the account;

(11) obtains real estate settlement services from a financial institution; or

(12) has a loan for which a financial institution owns the servicing rights.

(b) Continuing relationship does not include situations where:

(1) the consumer obtains a financial product or service from a financial institution only in isolated transactions, including but not limited to: (i) using a financial institution's automated teller machine to withdraw cash from an account at another financial institution; (ii) purchasing a money order from a financial institution; (iii) cashing a check with a financial institution; or (iv) making a wire transfer through a financial institution;

(2) a financial institution sells the consumer's loan and does not retain the rights to service the loan;

(3) a financial institution sells the consumer airline tickets, travel insurance, or traveler's checks in isolated transactions;

(4) the consumer obtains onetime personal or real property appraisal services from a financial institution; or

(5) the consumer purchases checks for a personal checking account from a financial institution.

Subd. 6. **Customer.** "Customer" means a consumer who has a customer relationship with a financial institution.

Subd. 7. **Customer information.** "Customer information" means any record containing nonpublic personal information about a financial institution's customer, whether the record is in paper, electronic, or another form, that is handled or maintained by or on behalf of the financial institution or the financial institution's affiliates.

Subd. 8. **Customer relationship.** "Customer relationship" means a continuing relationship between a consumer and a financial institution under which the financial institution provides to the consumer one or more financial products or services that are used primarily for personal, family, or household purposes.

Subd. 9. **Encryption.** "Encryption" means the transformation of data into a format that results in a low probability of assigning meaning without the use of a protective process or key, consistent with current cryptographic standards and accompanied by appropriate safeguards for cryptographic key material.

Subd. 10. **Federally insured depository financial institution.** "Federally insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits.

Subd. 11. **Financial product or service.** "Financial product or service" means any product or service that a financial holding company could offer by engaging in a financial activity under section 4(k) of the Bank Holding Company Act of 1956, United States Code, title 12, section 1843(k). Financial product or service includes a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service.

Subd. 12. **Financial institution.** "Financial institution" means a consumer small loan lender under section 47.60, a person owning or maintaining electronic financial terminals under section 47.62, a trust company under chapter 48A, a loan and thrift company under chapter 53, a currency exchange under chapter 53A, a money transmitter under chapter 53B, a sales finance company under chapter 53C, a regulated loan lender under chapter 56, a residential mortgage originator or servicer under chapter 58, a student loan servicer under chapter 58B, a credit service organization under section 332.54, a debt management service provider or person providing debt management services under chapter 332A, or a debt settlement service provider or person providing debt settlement services under chapter 332B.

Subd. 13. **Information security program.** "Information security program" means the administrative, technical, or physical safeguards a financial institution uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

Subd. 14. **Information system.** "Information system" means a discrete set of electronic information resources organized to collect, process, maintain, use, share, disseminate, or dispose of electronic information, as well as any specialized system, including but not limited to industrial process controls systems, telephone switching and private branch exchange systems, and environmental controls systems, that contains customer information or that is connected to a system that contains customer information.

Subd. 15. **Multifactor authentication.** "Multifactor authentication" means authentication through verification of at least two of the following factors:

(1) knowledge factors, including but not limited to a password;

(2) possession factors, including but not limited to a token; or

(3) inherence factors, including but not limited to biometric characteristics.

Subd. 16. **Nonpublic personal information.** (a) "Nonpublic personal information" means:

(1) personally identifiable financial information; or

(2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived using personally identifiable financial information that is not publicly available.

(b) Nonpublic personal information includes but is not limited to any list of individuals' names and street addresses that is derived in whole or in part using personally identifiable financial information that is not publicly available, including account numbers.

(c) Nonpublic personal information does not include:

(1) publicly available information, except as included on a list described in paragraph (a), clause (2);

(2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived without using any personally identifiable financial information that is not publicly available; or

(3) any list of individuals' names and addresses that contains only publicly available information, is not derived in whole or in part using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any individual on the list is the financial institution's consumer.

Subd. 17. **Notification event.** "Notification event" means the acquisition of unencrypted customer information without the authorization of the individual to which the information pertains. Customer information is considered unencrypted for purposes of this subdivision if the encryption key was accessed by an unauthorized person. Unauthorized acquisition is presumed to include unauthorized access to unencrypted customer information unless the financial institution has reliable evidence showing that there has not been, or could not reasonably have been, unauthorized acquisition of customer information.

Subd. 18. **Penetration testing.** "Penetration testing" means a test methodology in which assessors attempt to circumvent or defeat the security features of an information system by attempting to penetrate databases or controls from outside or inside a financial institution's information systems.

Subd. 19. **Personally identifiable financial information.** (a) "Personally identifiable financial information" means any information:

(1) a consumer provides to a financial institution to obtain a financial product or service;

(2) about a consumer resulting from any transaction involving a financial product or service between a financial institution and a consumer; or

(3) a financial institution otherwise obtains about a consumer in connection with providing a financial product or service to the customer.

(b) Personally identifiable financial information includes:

(1) information a consumer provides to a financial institution on an application to obtain a loan, credit card, or other financial product or service;

(2) account balance information, payment history, overdraft history, and credit or debit card purchase information;

(3) the fact that an individual is or has been a financial institution's customer or has obtained a financial product or service from the financial institution;

(4) any information about a financial institution's consumer, if the information is disclosed in a manner that indicates that the individual is or has been the financial institution's consumer;

(5) any information that a consumer provides to a financial institution or that a financial institution or a financial institution's agent otherwise obtains in connection with collecting on or servicing a credit account;

(6) any information a financial institution collects through an Internet information collecting device from a web server; and

(7) information from a consumer report.

(c) Personally identifiable financial information does not include:

(1) a list of customer names and addresses for an entity that is not a financial institution; and

(2) information that does not identify a consumer, including but not limited to aggregate information or blind data that does not contain personal identifiers, including account numbers, names, or addresses.

Subd. 20. **Publicly available information.** (a) "Publicly available information" means any information that a financial institution has a reasonable basis to believe is lawfully made available to the general public from:

(1) federal, state, or local government records;

(2) widely distributed media; or

(3) disclosures to the general public that are required under federal, state, or local law.

(b) Publicly available information includes but is not limited to:

(1) with respect to government records, information in government real estate records and security interest filings; and

(2) with respect to widely distributed media, information from a telephone book, a television or radio program, a newspaper, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, provided that access is available to the general public.

(c) For purposes of this subdivision, a financial institution has a reasonable basis to believe that information is lawfully made available to the general public if the financial institution has taken steps to determine: (1) that the information is of the type that is available to the general public; and (2) whether an individual can direct that the information not be made available to the general public and, if so, that the financial institution's consumer has not directed that the information not be made available to the general public. A financial institution has a reasonable basis to believe that mortgage information is lawfully made available to the general public if the financial institution determines the information is of the type included on the public record in the jurisdiction where the mortgage would be recorded. A financial institution has a reasonable basis to believe that an individual's telephone number is lawfully made available to the general public if the financial institution has located the telephone number in the telephone book or the consumer has informed the financial institution that the telephone number is not unlisted.

Subd. 21. **Qualified individual.** "Qualified individual" means the individual designated by a financial institution to oversee, implement, and enforce the financial institution's information security program.

Subd. 22. **Security event.** "Security event" means an event resulting in unauthorized access to, or disruption or misuse of: (1) an information system or information stored on an information system; or (2) customer information held in physical form.

Subd. 23. **Service provider.** "Service provider" means any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through the service provider's provision of services directly to a financial institution that is subject to this chapter.

Sec. 2. **[46A.02] SAFEGUARDING CUSTOMER INFORMATION; STANDARDS.**

Subdivision 1. **Information security program.** (a) A financial institution must develop, implement, and maintain a comprehensive information security program.

(b) The information security program must: (1) be written in one or more readily accessible parts; and (2) contain administrative, technical, and physical safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of any customer information at issue.

(c) The information security program must include the elements set forth in section 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as established under subdivision 2.

Subd. 2. **Objectives.** The objectives of this chapter are to:

(1) ensure the security and confidentiality of customer information;

(2) protect against any anticipated threats or hazards to the security or integrity of customer information; and

(3) protect against unauthorized access to or use of customer information that might result in substantial harm or inconvenience to a customer.

Sec. 3. **[46A.03] ELEMENTS.**

Subdivision 1. **Generally.** In order to develop, implement, and maintain an information security program, a financial institution must comply with this section.

Subd. 2. **Qualified individual.** (a) A financial institution must designate a qualified individual responsible for overseeing, implementing, and enforcing the financial institution's information security program. The qualified individual may be employed by the financial institution, an affiliate, or a service provider.

(b) If a financial institution designates an individual employed by an affiliate or service provider as the financial institution's qualified individual, the financial institution must:

(1) retain responsibility for complying with this chapter;

(2) designate a senior member of the financial institution's personnel to be responsible for directing and overseeing the qualified individual's activities; and

(3) require the service provider or affiliate to maintain an information security program that protects the financial institution in a manner that complies with the requirements of this chapter.

Subd. 3. **Security risk assessment.** (a) A financial institution must base the financial institution's information security program on a risk assessment that:

(1) identifies reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and

(2) assesses the sufficiency of any safeguards in place to control the risks identified under clause (1).

(b) The risk assessment must be made in writing and must include:

(1) criteria to evaluate and categorize identified security risks or threats the financial institution faces;

(2) criteria to assess the confidentiality, integrity, and availability of the financial institution's information systems and customer information, including the adequacy of existing controls in the context of the identified risks or threats the financial institution faces; and

(3) requirements describing how:

(i) identified risks are mitigated or accepted based on the risk assessment; and

(ii) the information security program addresses the risks.

(c) A financial institution must periodically perform additional risk assessments that:

(1) reexamine the reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and

(2) reassess the sufficiency of any safeguards in place to control the risks identified under clause (1).

Subd. 4. **Risk control.** A financial institution must design and implement safeguards to control the risks the financial institution identifies through the risk assessment under subdivision 3, including by:

(1) implementing and periodically reviewing access controls, including technical and, as appropriate, physical controls to:

(i) authenticate and permit access only to authorized users to protect against the unauthorized acquisition of customer information; and

(ii) limit an authorized user's access to only customer information that the authorized user needs to perform the authorized user's duties and functions or, in the case of a customer, to limit access to the customer's own information;

(2) identifying and managing the data, personnel, devices, systems, and facilities that enable the financial institution to achieve business purposes in accordance with the business purpose's relative importance to business objectives and the financial institution's risk strategy;

(3) protecting by encryption all customer information held or transmitted by the financial institution both in transit over external networks and at rest. To the extent a financial institution determines that encryption of customer information either in transit over external networks or at rest is infeasible, the financial institution may secure the customer information using effective alternative compensating controls that have been reviewed and approved by the financial institution's qualified individual;

(4) adopting: (i) secure development practices for in-house developed applications utilized by the financial institution to transmit, access, or store customer information; and (ii) procedures to evaluate, assess, or test the security of externally developed applications the financial institution uses to transmit, access, or store customer information;

(5) implementing multifactor authentication for any individual that accesses any information system, unless the financial institution's qualified individual has approved in writing the use of a reasonably equivalent or more secure access control;

(6) developing, implementing, and maintaining procedures to securely dispose of customer information in any format no later than two years after the last date the information is used in connection with providing a product or service to the customer to whom the information relates, unless: (i) the information is necessary for business operations or for other legitimate business purposes; (ii) the information is otherwise required to be retained by law or regulation; or (iii) targeted disposal of the information is not reasonably feasible due to the manner in which the information is maintained;

(7) periodically reviewing the financial institution's data retention policy to minimize the unnecessary retention of data;

(8) adopting procedures for change management; and

(9) implementing policies, procedures, and controls designed to: (i) monitor and log the activity of authorized users; and (ii) detect unauthorized access to, use of, or tampering with customer information by authorized users.

Subd. 5. **Testing and monitoring.** (a) A financial institution must regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures, including the controls, systems, and procedures that detect actual and attempted attacks on, or intrusions into, information systems.

(b) For information systems, monitoring and testing must include continuous monitoring or periodic penetration testing and vulnerability assessments. Absent effective continuous monitoring or other systems to detect on an ongoing basis any changes in information systems that may create vulnerabilities, a financial institution must conduct:

(1) annual penetration testing of the financial institution's information systems, based on relevant identified risks in accordance with the risk assessment; and

(2) vulnerability assessments, including systemic scans or information systems reviews that are reasonably designed to identify publicly known security vulnerabilities in the financial institution's information systems based on the risk assessment, at least every six months, whenever a material change to the financial institution's operations or business arrangements occurs, and whenever the financial institution knows or has reason to know circumstances exist that may have a material impact on the financial institution's information security program.

Subd. 6. **Internal policies and procedures.** A financial institution must implement policies and procedures to ensure that the financial institution's personnel are able to enact the financial institution's information security program by:

(1) providing the financial institution's personnel with security awareness training that is updated as necessary to reflect risks identified by the risk assessment;

(2) utilizing qualified information security personnel employed by the financial institution, an affiliate, or a service provider sufficient to manage the financial institution's information security risks and to perform or oversee the information security program;

(3) providing information security personnel with security updates and training sufficient to address relevant security risks; and

(4) verifying that key information security personnel take steps to maintain current knowledge of changing information security threats and countermeasures.

Subd. 7. **Provider oversight.** A financial institution must oversee service providers by:

(1) taking reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue;

(2) requiring by contract the financial institution's service providers to implement and maintain appropriate safeguards; and

(3) periodically assessing the financial institution's service providers based on the risk the service providers present and the continued adequacy of the service providers' safeguards.

Subd. 8. **Information security program; evaluation; adjustment.** A financial institution must evaluate and adjust the financial institution's information security program to reflect: (1) the results of the testing and monitoring required under subdivision 5; (2) any material changes to the financial institution's operations or business

arrangements; (3) the results of risk assessments performed under subdivision 3, paragraph (c); or (4) any other circumstances that the financial institution knows or has reason to know may have a material impact on the financial institution's information security program.

Subd. 9. **Incident response plan.** A financial institution must establish a written incident response plan designed to promptly respond to and recover from any security event materially affecting the confidentiality, integrity, or availability of customer information the financial institution controls. An incident response plan must address:

(1) the goals of the incident response plan;

(2) the internal processes to respond to a security event;

(3) clear roles, responsibilities, and levels of decision making authority;

(4) external and internal communications and information sharing;

(5) requirements to remediate any identified weaknesses in information systems and associated controls;

(6) documentation and reporting regarding security events and related incident response activities; and

(7) evaluation and revision of the incident response plan as necessary after a security event.

Subd. 10. **Annual report.** (a) A financial institution must require the financial institution's qualified individual to report at least annually in writing to the financial institution's board of directors or equivalent governing body. If a board of directors or equivalent governing body does not exist, the report under this subdivision must be timely presented to a senior officer responsible for the financial institution's information security program.

(b) The report made under this subdivision must include the following information:

(1) the overall status of the financial institution's information security program, including compliance with this chapter and associated administrative rules; and

(2) material matters related to the financial institution's information security program, including but not limited to addressing issues pertaining to: (i) the risk assessment; (ii) risk management and control decisions; (iii) service provider arrangements; (iv) testing results; (v) security events or violations and management's responses to the security event or violation; and (vi) recommendations for changes in the information security program.

Subd. 11. **Business continuity; disaster recovery.** A financial institution must establish a written plan addressing business continuity and disaster recovery.

Sec. 4. **[46A.04] EXCEPTIONS AND EXEMPTIONS.**

(a) The requirements under section 46A.03, subdivisions 3; 5, paragraph (a); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than 5,000 consumers.

(b) This chapter does not apply to credit unions or federally insured depository institutions.

Sec. 5. **[46A.05] ALTERATION OF FEDERAL REGULATION.**

(a) If an amendment to Code of Federal Regulations, title 16, part 314, results in a complete lack of federal regulations in the area, the version of the state requirements in effect at the time of the amendment remain in effect for two years from the date the amendment becomes effective.

(b) During the time period under paragraph (a), the department must adopt replacement administrative rules as necessary and appropriate.

Sec. 6. **[46A.06] NOTIFICATION EVENT.**

Subdivision 1. **Notification requirement.** (a) Upon discovering a notification event as described in subdivision 2, if the notification event involves the information of at least 500 consumers, a financial institution must notify the commissioner without undue delay, but no later than 45 days after the date the event is discovered. The notice must be made (1) in a format specified by the commissioner, and (2) electronically on a form located on the department's website.

(b) The notice must include:

(1) the name and contact information of the reporting financial institution;

(2) a description of the types of information involved in the notification event;

(3) if possible to determine, the date or date range of the notification event;

(4) the number of consumers affected or potentially affected by the notification event;

(5) a general description of the notification event; and

(6) a statement (i) disclosing whether a law enforcement official has provided the financial institution with a written determination indicating that providing notice to the public regarding the breach would impede a criminal investigation or cause damage to national security, and (ii) if a written determination described under item (i) was provided to the financial institution, providing contact information that enables the commissioner to contact the law enforcement official. A law enforcement official may request an initial delay of up to 45 days following the date that notice was provided to the commissioner. The delay may be extended for an additional period of up to 60 days if the law enforcement official seeks an extension in writing. An additional delay may be permitted only if the commissioner determines that public disclosure of a security event continues to impede a criminal investigation or cause damage to national security.

Subd. 2. **Notification event treated as discovered.** A notification event must be treated as discovered on the first day when the event is known to a financial institution. A financial institution is deemed to have knowledge of a notification event if the event is known to any person, other than the person committing the breach, who is the financial institution's employee, officer, or other agent.

Sec. 7. **[46A.07] COMMISSIONER'S POWERS.**

(a) The commissioner has the power to examine and investigate the affairs of any covered financial institution to determine whether the financial institution has been or is engaged in any conduct that violates this chapter. This power is in addition to the powers granted to the commissioner under section 46.01.

(b) If the commissioner has reason to believe that a financial institution has been or is engaged in conduct in Minnesota that violates this chapter, the commissioner may take action necessary or appropriate to enforce this chapter.

Sec. 8. **[46A.08] CONFIDENTIALITY.**

Subdivision 1. **Financial institution information.** (a) Any documents, materials, or other information in the control or possession of the department that are furnished by a licensee or a licensee's employee or agent acting on behalf of a financial institution pursuant to section 46A.06 or that are obtained by the commissioner in an investigation or examination pursuant to section 46A.07: (1) are classified as confidential, protected nonpublic, or both; (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence in any private civil action.

(b) Notwithstanding paragraph (a), clauses (1) to (3), the commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.

Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner is permitted or required to testify in a private civil action concerning confidential documents, materials, or information subject to subdivision 1.

Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's duties under sections 46A.01 to 46A.08, the commissioner may:

(1) share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subdivision 1, with other state, federal, and international regulatory agencies, with the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and must maintain as confidential or privileged any document, material, or information received with notice or the understanding that the document, material, or information is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) share documents, materials, or other information subject to subdivision 1 with a third-party consultant or vendor, provided the consultant agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information; and

(4) enter into agreements governing the sharing and use of information that are consistent with this subdivision.

Subd. 4. **No waiver of privilege or confidentiality; information retention.** (a) The disclosure of documents, materials, or information to the commissioner under this section or as a result of sharing as authorized in subdivision 3 does not result in a waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information.

(b) A document, material, or information disclosed to the commissioner under this section about a cybersecurity event must be retained and preserved by the financial institution for five years.

Subd. 5. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the commissioner from releasing final, adjudicated actions that are open to public inspection pursuant to chapter 13 to a database or other clearinghouse service maintained by the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates, or the Conference of State Bank Supervisors' subsidiaries.

Subd. 6. **Classification, protection, and use of information by others.** Documents, materials, or other information in the possession or control of the Conference of State Bank Supervisors or a third-party consultant pursuant to sections 46A.01 to 46A.08: (1) are classified as confidential, protected nonpublic, and privileged; (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence in a private civil action.

Sec. 9. Minnesota Statutes 2022, section 47.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than $300,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than ~~$100,000~~ or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than $100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a common interest community, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 10. Minnesota Statutes 2022, section 47.54, subdivision 2, is amended to read:

Subd. 2. **Approval ~~order~~.** (a) If no objection is received by the commissioner within 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must provide written consent approving the application without a hearing if ~~it is found~~ the commissioner finds that ~~(a)~~: (1) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition~~, (b)~~; (2) the establishment of the proposed detached facility ~~will improve~~ improves the quality or increase the availability of banking services in the community to be served~~,~~; and ~~(c)~~ (3) the establishment of the proposed detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served.

~~Otherwise,~~ (b) The commissioner ~~shall~~ must deny ~~the~~ an application that does not meet the criteria under paragraph (a), clauses (1) to (3).

(c) Any proceedings for judicial review of ~~an order of~~ written consent provided by the commissioner ~~issued~~ under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Sec. 11. Minnesota Statutes 2022, section 47.54, subdivision 6, is amended to read:

Subd. 6. **Expiration and extension of ~~order~~ approval.** If a facility is not activated within 18 months from the date ~~of the order~~ approval is granted under subdivision 2, the approval ~~order~~ automatically expires. Upon a request ~~of~~ made by the applicant ~~prior to~~ before the ~~automatic expiration~~ date ~~of~~ the ~~order~~ approval expires, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's ~~order~~ approval is the subject of an appeal in accordance with chapter 14, the time period referred to in this section ~~for activation of~~ to activate the facility and any extensions ~~shall begin~~ begins when all appeals or rights of appeal from the commissioner's ~~order~~ approval have concluded or expired.

Sec. 12. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus made upon first mortgage security on improved real estate in any state in which the bank or a ~~branch established under section 49.411~~ detached facility of the bank is located, or in any state adjoining a state in which the bank or a ~~branch established under section 49.411~~ detached facility of the bank is located, shall not constitute a liability of the maker of the notes secured by such mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of the maker. These mortgage loans shall be limited to, and in no case exceed, 50 percent of the cash value of the security covered by the mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee or for which a conditional guarantee has been issued, which loans shall in no case exceed 60 percent of the cash value of the security covered by such mortgage. For the purposes of this subdivision, real estate is improved when substantial and permanent development or construction has contributed substantially to its value, and agricultural land is improved when farm crops are regularly raised on such land without further substantial improvements.

Sec. 13. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended to read:

Subd. 18. **Money transmission.** (a) "Money transmission" means:

(1) selling or issuing payment instruments to a person located in this state;

(2) selling or issuing stored value to a person located in this state; or

(3) receiving money for transmission from a person located in this state.

(b) ~~Money includes payroll processing services.~~ Money transmission does not include the provision solely of online or telecommunications services or network access.

Sec. 14. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended to read:

Subd. 25. **Payroll processing services.** "Payroll processing services" means ~~receiving money for transmission pursuant to a contract with a person to deliver~~ delivering wages or salaries, ~~make~~ making payment of payroll taxes to state and federal agencies, ~~make~~ making payments relating to employee benefit plans, ~~or make~~ making

distributions of other authorized deductions from wages or salaries, or transmitting money on behalf of an employer in connection with transactions related to employees. The term payroll processing services ~~does not include~~ includes an employer performing payroll processing services on the employer's own behalf or on behalf of the employer's affiliate~~, or a~~ and professional employment ~~organization subject to regulation under other applicable state law~~ organizations.

Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

53B.29 EXEMPTIONS.

This chapter does not apply to:

(1) an operator of a payment system, to the extent the operator of a payment system provides processing, clearing, or settlement services between or among persons exempted by this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers;

(2) a person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided that:

(i) there exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(ii) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(iii) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee;

(3) a person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided that the entity:

(i) is properly licensed or exempt from licensing requirements under this chapter;

(ii) provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(iii) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient;

(4) the United States; a department, agency, or instrumentality of the United States; or an agent of the United States;

(5) money transmission by the United States Postal Service or by an agent of the United States Postal Service;

(6) a state; county; city; any other governmental agency, governmental subdivision, or instrumentality of a state; or the state's agent;

(7) a federally insured depository financial institution; bank holding company; office of an international banking corporation; foreign bank that establishes a federal branch pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended or recodified from time to time; corporation organized pursuant to the Bank Service Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from time to time; or corporation organized under the Edge Act, United States Code, title 12, sections 611 to 633, as amended or recodified from time to time;

(8) electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

(9) a board of trade designated as a contract market under the federal Commodity Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from time to time; or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of its operation as or for a board;

(10) a registered futures commission merchant under the federal commodities laws, to the extent of the registered futures commission merchant's operation as a merchant;

(11) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer;

(12) an individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements under this chapter when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) a person expressly appointed as a third-party service provider to or agent of an entity exempt under clause (7), solely to the extent that:

(i) the service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent; ~~or~~

(14) a payroll processing services provider; or

~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the exemption is in the public interest, and (ii) the regulation of the person is not necessary for the purposes of this chapter.

Sec. 16. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to read:

Subd. 15a. **Nationwide Multistate Licensing System and Registry.** "Nationwide Multistate Licensing System and Registry" has the meaning given in section 58A.02, subdivision 8.

Sec. 17. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

Subd. 18. **Residential mortgage loan.** "Residential mortgage loan" means a loan secured primarily by either: (1) a mortgage, deed of trust, or other equivalent security interest on residential real ~~property~~ estate; or (2) certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real ~~property~~ estate.

Sec. 18. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

Subd. 21. **Residential real estate.** "Residential real estate" means real property located in Minnesota upon which a dwelling, as defined in United States Code, title 15, section 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies the real property.

Sec. 19. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) A licensee must be either a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and must have and maintain a surety bond in the amounts prescribed under section 58.08.

(c) The following persons are exempt from the residential mortgage originator licensing requirements:

(1) a person who is not in the business of making residential mortgage loans and who makes no more than three such loans, with its own funds, during any 12-month period;

(2) a financial institution as defined in section 58.02, subdivision 10;

(3) an agency of the federal government, or of a state or municipal government;

(4) an employee or employer pension plan making loans only to its participants;

(5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction;

(6) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, adopted pursuant to Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii);

~~(6)~~ (7) a person exempted by order of the commissioner; or

~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b, or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

(i) performs only clerical or support duties in connection with assisting a consumer in filling out a residential mortgage loan application but does not in any way offer or negotiate loan terms, or hold themselves out as a housing counselor;

(ii) does not receive any direct or indirect compensation or gain from any individual or company for assisting consumers with a residential mortgage loan application, in excess of the customary salary or commission from the employer in connection with the sales transaction; and

(iii) discloses to the borrower in writing:

(A) if a corporate affiliation with a lender exists;

(B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the lowest or best terms available and the consumer has the right to choose their lender; and

(C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated lender.

(d) For the purposes of this subdivision, "housing counselor" means an individual who provides assistance and guidance about residential mortgage loan terms including rates, fees, or other costs.

(e) The disclosures required under paragraph (c), clause ~~(7)~~ (8), item (iii), must be made on a one-page form prescribed by the commissioner and developed in consultation with the Manufactured and Modular Home Association. The form must be posted on the department's website.

Sec. 20. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August 1, 1999, no person shall engage in activities or practices that fall within the definition of "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) The following persons are exempt from the residential mortgage servicer licensing requirements:

(1) a person licensed as a residential mortgage originator;

(2) an employee of one licensee or one person holding a certificate of exemption based on an exemption under this subdivision;

(3) a person servicing loans made with its own funds, if no more than three such loans are made in any 12-month period;

(4) a financial institution as defined in section 58.02, subdivision 10;

(5) an agency of the federal government, or of a state or municipal government;

(6) an employee or employer pension plan making loans only to its participants;

(7) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; ~~or~~

(8) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii); or

~~(8)~~ (9) a person exempted by order of the commissioner.

Sec. 21. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

Subdivision 1. **Exempt person.** (a) An exempt person, as defined by section 58.04, subdivision 1, paragraph (c), and subdivision 2, paragraph (b), is exempt from the licensing requirements of this chapter, but is subject to all other provisions of this chapter.

(b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision 4, even if the institution is otherwise an exempt person.

Sec. 22. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 1, paragraph (c)~~, a financial institution under clause (2),~~:

(1) a bona fide nonprofit organization under section 58.04, subdivision 1, paragraph (c), clause (6); or

(2) a person exempted by order of the commissioner under section 58.04, subdivision 1, paragraph (c), clause ~~(6); or~~ (7).

(b) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b)~~, as a financial institution under clause (4),~~:

(1) a bona fide nonprofit organization under section 58.04, subdivision 2, paragraph (b), clause (8); or

(2) a person exempted by order of the commissioner under section 58.04, subdivision 2, paragraph (b), clause ~~(8)~~ (9).

Sec. 23. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 5. **Background checks.** In connection with an application for a residential mortgage loan originator or servicer license, any person in control of an applicant must, at a minimum, provide the Nationwide Multistate Licensing System and Registry information concerning the person's identity, including:

(1) fingerprints for submission to the Federal Bureau of Investigation and a governmental agency or entity authorized to receive the information for a state, national, and international criminal history background check; and

(2) personal history and experience in a form prescribed by the Nationwide Multistate Licensing System and Registry, including the submission of authorization for the Nationwide Multistate Licensing System and Registry and the commissioner to obtain:

(i) an independent credit report obtained from a consumer reporting agency described in United States Code, title 15, section 1681a(p); and

(ii) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

Sec. 24. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 6. **Requesting and distributing criminal information; agency.** For the purposes of this section and in order to reduce the points of contact the Federal Bureau of Investigation may have to maintain for purposes of subdivision 5, clauses (1) and (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request information from and distribute information to the United States Department of Justice or any governmental agency.

Sec. 25. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 7. **Requesting and distributing noncriminal information; agency.** For the purposes of this section and in order to reduce the points of contact the commissioner may have to maintain for purposes of subdivision 5, clause (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request and distribute information from and to any source, as directed by the commissioner.

Sec. 26. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

Subd. 1a. **Residential mortgage originators.** (a) An applicant for a residential mortgage originator license must file with the department a surety bond in the amount of ~~$100,000~~ $125,000, issued by an insurance company authorized to do so in this state. The bond must cover all mortgage loan originators who are employees or independent agents of the applicant. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers as a result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond must be submitted with the originator's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond shall remain in effect during all periods of licensing.

(c) Upon filing of the mortgage call report as required by section ~~58A.17~~ 58.141, a licensee shall maintain or increase ~~its~~ the licensee's surety bond to reflect the total dollar amount of the closed residential mortgage loans originated in this state in the preceding year according to the table in this paragraph. A licensee may decrease ~~its~~ the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

Dollar Amount of Closed Residential Mortgage Loans	Surety Bond Required
$0 to ~~$5,000,000~~ $10,000,000	~~$100,000~~ $125,000
~~$5,000,000.01~~ $10,000,000.01 to ~~$10,000,000~~ $25,000,000	~~$125,000~~ $150,000
~~$10,000,000.01~~ $25,000,000.01 to ~~$25,000,000~~ $100,000,000	~~$150,000~~ $200,000
Over ~~$25,000,000~~ $100,000,000	~~$200,000~~ $300,000

For purposes of this subdivision, "mortgage loan originator" has the meaning given the term in section 58A.02, subdivision 7.

Sec. 27. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicers.** (a) A residential mortgage servicer licensee shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than ~~$100,000~~ $125,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter, and for losses or damages incurred by borrowers or other aggrieved parties as the result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond or irrevocable letter of credit must be submitted with the servicer's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond must remain in effect during all periods of a license.

(c) Upon filing the mortgage call report under section 58.141, a licensee must maintain or increase the licensee's surety bond to reflect the total dollar amount of unpaid principal balance for residential mortgage loans serviced in Minnesota during the preceding quarter according to the table in this paragraph. A licensee may decrease the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

Dollar Amount of Unpaid Principal Balance for Serviced Residential Mortgage Loans	Surety Bond Required
$0 to $10,000,000	$125,000
$10,000,000.01 to $50,000,000	$200,000
Over $50,000,000	$300,000

Sec. 28. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

Subd. 3. **Consumer education account; money credited and appropriated.** (a) The consumer education account is created in the special revenue fund. Money credited to this account may be appropriated to the commissioner ~~for the purpose of making~~ to: (1) make grants to programs and campaigns designed to help consumers avoid being victimized by unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner incurs to provide outreach and education related to affordable housing and home ownership education. The commissioner must give preference ~~shall be given~~ for grants to programs and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies, institutions, companies, and organizations.

(b) A sum sufficient is appropriated annually from the consumer education account to the commissioner to make the grants described in paragraph (a).

Sec. 29. Minnesota Statutes 2022, section 58.115, is amended to read:

58.115 EXAMINATIONS.

The commissioner has under this chapter the same powers with respect to examinations that the commissioner has under section 46.04. In addition to the powers under section 46.04, the commissioner may accept examination reports prepared by a state agency that has comparable supervisory powers and examination procedures. The authority under section 49.411, subdivision 7, applies to examinations of institutions under this chapter.

Sec. 30. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall:

(1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;

(2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;

(3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, paragraph (d);

(4) fail to disburse funds according to its contractual or statutory obligations;

(5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;

(6) charge a fee for a product or service where the product or service is not actually provided, or misrepresent the amount charged by or paid to a third party for a product or service;

(7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property law;

(8) violate any provision of any other applicable state or federal law regulating residential mortgage loans including, without limitation, sections 47.20 to 47.208 and 47.58;

(9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading statement or representation in connection with a residential loan transaction including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any mortgage product;

(10) conduct residential mortgage loan business under any name other than that under which the license or certificate of exemption was issued;

(11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for the purpose of influencing the independent judgment of the appraiser with respect to the value of real estate that is to be covered by a residential mortgage or is being offered as security according to an application for a residential mortgage loan;

(12) issue any document indicating conditional qualification or conditional approval for a residential mortgage loan, unless the document also clearly indicates that final qualification or approval is not guaranteed, and may be subject to additional review;

(13) make or assist in making any residential mortgage loan with the intent that the loan will not be repaid and that the residential mortgage originator will obtain title to the property through foreclosure;

(14) provide or offer to provide for a borrower, any brokering or lending services under an arrangement with a person other than a licensee or exempt person, provided that a person may rely upon a written representation by the residential mortgage originator that it is in compliance with the licensing requirements of this chapter;

(15) claim to represent a licensee or exempt person, unless the person is an employee of the licensee or exempt person or unless the person has entered into a written agency agreement with the licensee or exempt person;

(16) fail to comply with the record keeping and notification requirements identified in section 58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan;

For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure;

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case;

(22) violate section 82.77, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan all or a portion of the proceeds of which are used to fully or partially pay off a "special mortgage" unless the borrower has obtained a written certification from an authorized independent loan counselor that the borrower has received counseling on the advisability of the loan transaction. For purposes of this section, "special mortgage" means a residential mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, that bears one or more of the following nonstandard payment terms which substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or interest are not required or can be deferred under specified conditions; (iii) principal or interest is forgivable under specified conditions; or (iv) where no interest or an annual interest rate of two percent or less is charged in connection with the loan. For purposes of this section, "authorized independent loan counselor" means a nonprofit, third-party individual or organization providing home buyer education programs, foreclosure prevention services, mortgage loan counseling, or credit counseling certified by the United States Department of Housing and Urban Development, the Minnesota Home Ownership Center, the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks America;

(24) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the scheduled payments of the following, as applicable: principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage insurance premiums. For loans in which the interest rate may vary, the reasonable ability to pay shall be determined based on a fully indexed rate and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents.

Nothing in this section shall be construed to limit a mortgage originator's or exempt person's ability to rely on criteria other than the borrower's income and financial resources to establish the borrower's reasonable ability to repay the residential mortgage loan, including criteria established by the United States Department of Veterans Affairs or the United States Department of Housing and Urban Development for interest rate reduction refinancing loans or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; however, such other criteria must be verified through reasonably reliable methods and documentation. The mortgage originator's analysis of the borrower's reasonable ability to repay may include, but is not limited to, consideration of the following items, if verified: (1) the borrower's current and expected income; (2) current and expected cash flow; (3) net worth and other financial resources other than the consumer's equity in the dwelling that secures the loan; (4) current financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7) employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax returns; (12) pension statements; and (13) employment payment records, provided that no mortgage originator shall disregard facts and circumstances that indicate that the financial or other information submitted by the consumer is inaccurate or incomplete. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources or sole reliance on any single item listed above is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay;

(25) engage in "churning." As used in this section, "churning" means knowingly or intentionally making, providing, or arranging for a residential mortgage loan when the new residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances; In order to demonstrate a reasonable, tangible net benefit to the borrower, the circumstances at the time of the application must be documented in writing and must be signed by the borrower prior to the closing date;

(26) the first time a residential mortgage originator orally informs a borrower of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan which does not include an amount for payment of property taxes and hazard insurance, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic payments for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that the borrower's existing loan that is anticipated to be refinanced does not have an escrow account; or

(27) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance with any repayment option offered pursuant to the terms of the loan will result in negative amortization during any six-month period.

(b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered bank, savings bank, or credit union, an institution chartered by Congress under the Farm Credit Act, or to a person making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government. This paragraph supersedes any inconsistent provision of this chapter.

Sec. 31. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

Subdivision 1. **Mortgage call reports.** A residential mortgage originator or servicer must submit reports of condition to the Nationwide Multistate Licensing System and Registry. Reports submitted under this subdivision must be in the form and contain the information required by the Nationwide Multistate Licensing System and Registry.

Subd. 2. **Report to Nationwide Multistate Licensing System and Registry.** Subject to section 58A.14, the commissioner must regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the Nationwide Multistate Licensing System and Registry.

Subd. 3. **Unique identifier; display.** The unique identifier of any person originating a residential mortgage loan must be clearly displayed on all residential mortgage loan application forms, solicitations, or advertisements, including business cards or websites, and any other documents the commissioner establishes by rule or order.

Sec. 32. **[60M.01] DEFINITIONS.**

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

Subd. 2. **Bail bond.** "Bail bond" means a three-party contract between the state, the accused, and the surety whereby an individual is released to the custody of the surety, and the surety guarantees to the state the appearance of the individual at all criminal proceedings for which the surety bond is posted.

Subd. 3. **Bail bond agency.** "Bail bond agency" means an agency contracted by a surety to supervise or otherwise manage the bail bond business written in Minnesota by producers appointed by the surety.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 5. **Department.** "Department" means the Department of Commerce.

Subd. 6. **Depositor.** "Depositor" means:

(1) an individual that has paid money to a surety, bail bond agency, or producer as premium or premium toward a bail bond product transaction, as defined in section 60M.02; or

(2) an individual that deposited money, property, or assets with a surety, bail bond agency, or producer to be held as collateral or used toward the liability of a bail bond product transaction, as defined in section 60M.03.

Subd. 7. **Negotiate.** "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular insurance contract concerning any of the substantive benefits, terms, or conditions of the contract, if the person engaged in the act either sells insurance or obtains insurance from insurers for purchasers.

Subd. 8. **Net premium.** "Net premium" means a bond's premium, less any commission agreed to in advance and in writing between a producer and the surety or bail bond agency.

Subd. 9. **Personal information.** "Personal information" has the meaning given in section 72A.491, subdivision 17.

Subd. 10. **Principal.** "Principal" is an individual who has engaged with a bail bond agency or producer to arrange for the individual's bail bond to be posted on the individual's behalf, securing the individual's release pretrial on a bail bond.

Subd. 11. **Privileged information.** "Privileged information" has the meaning given in section 72A.491, subdivision 19.

Subd. 12. **Producer.** "Producer" means a person that is licensed to write bail bonds, has been approved by the state court administrator's office, is a contractor or employee for a bail bond agency, and is appointed by a surety to execute or countersign bail bonds for the surety in connection with judicial proceedings.

Subd. 13. **Sell.** "Sell" means to exchange a bail bond product for money on behalf of a surety company.

Subd. 14. **Surety.** "Surety" means a domestic, foreign, or alien insurance company that is licensed to transact surety business in Minnesota under section 60A.06.

Sec. 33. **[60M.02] PREMIUMS.**

Subdivision 1. **Premiums; generally.** (a) Regardless of whether a producer is an employee or an independent contractor, a producer must charge the approved, filed rate of the surety being used to post a bail bond. Except as provided in subdivision 2 or in a situation where cash bail is set by the court under subdivision 5, the rate charged must not be less than the surety's filed rate.

(b) A producer is prohibited from providing a premium rebate.

(c) A producer may charge travel or other related fees, provided the producer complies with section 60K.46, subdivision 2.

Subd. 2. **Minimum premium.** A producer must charge a minimum premium of $100. Any premium amount must be included in the surety's rate filing with the commissioner.

Subd. 3. **Bail bonds less than $10,000.** (a) A producer is prohibited from posting a bail bond with a penal sum of $10,000 or less unless the producer has:

(1) received at least 50 percent of the total premium owed under the surety's rate filing;

(2) provided the depositor with a receipt that indicates the premium paid; and

(3) if the full premium is not collected before posting the bond, a signed promissory note must be obtained requiring the unpaid premium in full within four months of the date the bond is posted.

(b) A promissory note issued under paragraph (a), clause (3), must be made on a surety or bail bond agency form as approved by the commissioner. The maximum annual interest rate allowed on a promissory note under this subdivision is six percent. A promissory note may authorize collection of the actual costs incurred to collect the premium, including reasonable attorney fees, in the event of a default.

Subd. 4. **Bail bonds greater than $10,000.** (a) A producer is prohibited from posting a bail bond with a penal sum greater than $10,000 unless the producer has:

(1) received at least 30 percent of the total premium owed under the surety's rate filing;

(2) provided the depositor with a receipt that indicates the premium paid; and

(3) if the full premium is not collected before posting the bond, a signed promissory note must be obtained requiring the unpaid premium in full within 12 months of the date the bond is posted.

(b) A promissory note issued under paragraph (a), clause (3), must be made on a surety or bail bond agency form as approved by the commissioner. The maximum annual interest rate allowed on a promissory note under this subdivision is six percent. A promissory note may authorize collection of the actual costs incurred to collect the premium, including reasonable attorney fees, in the event of a default.

Subd. 5. **Alternative premium structure.** (a) A bail bond agency or producer may include an alternative premium structure as part of the bail bond agency or producer's surety rate filing submitted to the commissioner.

(b) If a court sets cash bail at 15 percent or less of the bond's penal amount, a surety, bail bond agency, or producer may charge an alternative premium that is as low as one-half of the cash bail amount set by the court. An alternative premium charged under this subdivision is subject to the minimum premium requirement under subdivision 2.

(c) A bail bond agency or producer is required to obtain from the court documentation indicating the cash bail amount set by the court and must maintain the documentation in the bond file.

(d) A bail bond agency and producer must maintain a log of all bonds where an alternative premium was charged under this subdivision.

(e) Subdivisions 3 and 4 apply to the payment of an alternative premium structure under this subdivision.

Subd. 6. **Late payments.** If a payment, including a minimum monthly payment, that is required under a promissory note executed pursuant to subdivision 3 or 4 is more than 90 days late, the bail bond agency or producer must, within 20 days of the date a payment becomes 90 days late:

(1) for amounts owed that are $2,500 or less, assign the debt to a Minnesota-licensed debt collector; or

(2) for amounts owed that are greater than $2,500:

(i) file a civil action against the delinquent premium payer; and

(ii) make all reasonable efforts to:

(A) serve a summons and complaint;

(B) enter judgment, unless the matter is settled while the action is pending; and

(C) enforce the judgment, which may be satisfied by assigning the debt to a licensed debt collector.

Subd. 7. **Form of payment.** A surety, bail bond agency, or producer may only accept cash, money orders, checks, wire transfers, electronic funds transfers, debit cards, prepaid cash cards, or credit cards as a premium payment method. Any balance owed must be evidenced by a promissory note, as provided under subdivision 3 or 4.

Subd. 8. **Premium trust account.** (a) A payment made to or received by the producer, bail bond agency, or surety must be deposited into a premium trust account that is maintained by the producer, bail bond agency, or surety within seven business days.

(b) A premium trust account must be used only for premium payments and travel or other related fees authorized under subdivision 1, paragraph (c). A producer, bail bond agency, or surety is prohibited from depositing any other money into a premium trust account.

(c) A deposit into a premium trust account must be accompanied by a deposit slip that:

(1) separately designates the principal; and

(2) lists the power of attorney number of the bond for which the payment is being collected.

(d) Money may be withdrawn from a premium trust account only to:

(1) pay the net premium to the surety or bail bond agency;

(2) pay a surety or bail bond agency any build-up fund or escrow account required by a contract executed by the producer and the surety or bail bond agency;

(3) pay or reimburse travel or other related fees authorized under subdivision 1, paragraph (c);

(4) pay or reimburse the producer any fees or charges deducted electronically by credit card processing vendors, provided the fees and charges comply with section 60K.46, subdivision 2; and

(5) distribute any excess amounts to the operating account.

Sec. 34. **[60M.03] COLLATERAL.**

Subdivision 1. **Collateral generally.** When collateral is accepted, the producer, surety, or bail bond agency must provide a written and numbered receipt to the depositor. The receipt must:

(1) contain the date; depositor's name and address; bail bond agency's name and address; surety's name and address; defendant's name; bond amount; and cash amount or a detailed description of the collateral, if the collateral is not cash; and

(2) be signed by:

(i) the producer, surety, or bail bond agency; and

(ii) the depositor.

Subd. 2. **Collateral received; transfer; control.** (a) Except as otherwise provided under paragraph (b), a producer or bail bond agency must transfer all cash and noncash collateral that the producer or bail bond agency receives to the surety.

(b) A surety may, at the surety's discretion, permit: (1) a producer to transfer all cash and noncash collateral that the producer receives to the bail bond agency; and (2) the bail bond agency to retain possession and control over the cash and noncash collateral without transferring the cash and noncash collateral to the surety. If a surety exercises the surety's discretion under this paragraph, the bail bond agency assumes the surety's responsibilities and responsibilities under this section. A producer is prohibited from retaining possession or control of cash or noncash collateral beyond the time periods established in this section.

Subd. 3. **Cash collateral trust account.** (a) All cash collateral must be deposited into a cash collateral account maintained by a surety or bail bond agency as provided in subdivision 2, paragraph (b), within seven business days of the date the cash collateral is received.

(b) All checks, money orders, wire transfers, or similar money transfer for collateral must be made payable to the bail bond agency and deposited into the surety's or bail bond agency's collateral account within ten business days of the date the payment was received.

(c) When required by law, a bail bond agency or producer must: (1) file an IRS Form 8300 and informational notice; and (2) retain a copy of the filed IRS Form 8300 and informational notice in the bail bond agency's or producer's files.

Subd. 4. **Separate cash collateral account.** At the surety's discretion, the surety or a bail bond agency may maintain a separate cash collateral trust account. A cash collateral trust account may be an interest-bearing account or a noninterest-bearing account. If the separate cash collateral trust account is an interest-bearing account, the interest earned is for the benefit of the depositor.

Subd. 5. **Surety liable.** The surety is liable to return any cash or noncash collateral that a producer or bail bond agency collects, less any amounts owed under subdivision 9, paragraph (b), even if the collected collateral is not transferred to the surety.

Subd. 6. **Prohibitions.** (a) A surety, bail bond agency, or producer is prohibited from collecting cash collateral in excess of the bond's penal sum.

(b) A surety, bail bond agency, or producer is prohibited from using collateral for personal benefit or gain.

(c) A surety, bail bond agency, or producer is prohibited from taking a quitclaim deed on real property as collateral for a bond.

Subd. 7. **Collateral log.** (a) A bail bond agency or producer must maintain a collateral log that includes:

(1) the power of attorney number;

(2) the principal's name;

(3) the depositor's name;

(4) the cash collateral amount, including whether the cash collateral is being held in an interest-bearing account;

(5) if the collateral is noncash collateral, a detailed description of the collateral;

(6) the date the collateral was taken; and

(7) the dates the collateral was sent to the surety, returned to the depositor, liquidated, or applied to a loss or cost incurred by the producer, bail bond agency, or surety.

(b) For purposes of paragraph (a), an indemnity agreement does not constitute collateral and is not required to be included in the collateral log. For purposes of paragraph (a), clause (7), the amount of a loss incurred must be listed separately from other costs in the collateral log.

Subd. 8. **Mortgages and deeds of trust.** (a) A mortgage or deed of trust taken as collateral for a bond must name the surety as a mortgagee. At the discretion of the surety, a bail bond agency may be named as the mortgagee in lieu of the surety being named as the mortgagee.

(b) A producer is prohibited from being named as a mortgagee for a mortgage or deed of trust taken as collateral for a bond.

Subd. 9. **Return of collateral.** (a) A surety or bail bond agency that controls the collateral must return cash and noncash collateral to the depositor named in the collateral receipt within 21 days of the date the depositor provides the surety or bail bond agency with written proof that the bond has been discharged.

(b) If the depositor owes the surety, bail bond agency, or producer a premium; is liable for a loss or expense related to a breach of the bond; or is liable pursuant to the terms of an indemnity or other agreement, the surety or bail bond agency may retain from the collateral all money required to satisfy the depositor's debts.

(c) If all of the depositor's debts secured by collateral are satisfied, the surety or bail bond agency must provide documentation to release any liens, security interests, mortgages, or other security interests that were filed or obtained in relation to the collateral. The documentation must be provided within 21 days of the date the depositor provides the surety or bail bond agency with written proof that the bond has been discharged.

Subd. 10. **Bond or indemnity agreement; breach.** If a bond or indemnity agreement is breached and the surety, bail bond agency, or producer suffers a loss, the surety or bail bond agency that controls the collateral must send to the depositor written notice that notifies the depositor that the surety or bail bond agency intends to liquidate noncash collateral. The written notice must be sent by certified mail to the depositor's last known address at least 30 days before the date the surety or bail bond agency liquidates the noncash collateral.

Subd. 11. **Compliance with Minnesota law.** Any action taken to enforce or foreclose on cash or noncash collateral must comply with Minnesota law.

Subd. 12. **Collateral documentation; audit and inspection.** (a) All collateral and related documentation held in trust by the surety or bail bond agency must be made available for immediate audit and inspection by the department.

(b) All collateral and related documentation held in trust by the bail bond agency must be made available for immediate audit and inspection by the surety.

Sec. 35. **[60M.04] PRODUCER AUDITS.**

Subdivision 1. **Premium audits.** (a) By April 30 each year, a surety must audit each licensed bail bond producer's bonds written during the previous calendar year to ensure the licensed bail bond producer has complied with this subdivision.

(b) The premium audits must include a review of an adequate sample of bonds written by each bail bond producer. A review sample is adequate if it consists of the lesser of: (1) 20 percent of the bonds written by the bail bond producer; (2) 24 bonds; or (3) all of the bonds written by the bail bond producer, if the bail bond producer wrote fewer than 12 bonds during the previous calendar year. The audit sample must include the four largest bonds written by the bail bond producer and four bonds that charged an alternative premium under section 60M.02, subdivision 5, if applicable. Of the remaining bonds audited and to the extent the quantity of bonds supports the percentages, 50 percent must be randomly selected bonds with a penal sum that is $10,000 or less, and 50 percent must be randomly selected bonds with a penal sum that is greater than $10,000.

(c) The premium audit must be conducted at the producer's office or the bail bond agency's office, depending on which entity maintains the physical records. The surety must not disclose to the producer or bail bond agency, or anyone affiliated with the surety or bail bond agency, which files the surety intends to audit until the surety's on-site audit of the producer begins.

(d) For each bond audited, the surety must confirm that:

(1) the proper premium was charged and collected, including a review of the premium account statements and deposit slips;

(2) a proper premium receipt is in the producer's file;

(3) if the full premium was not paid before the bond was posted, a proper promissory note was executed; and

(4) if the premium was not paid as required, the producer complied with section 60M.02, subdivision 6.

(e) An annual premium audit under this section must also include a follow-up review of each bond audited the previous year for which full premium had not yet been collected at the time the audit occurred. For each bond subject to a follow-up review, the surety must:

(1) review the premium account and deposit slips to confirm that the full premium was collected; or

(2) if full payment of the premium was not received, confirm that the producer complied with section 60M.02, subdivision 6.

(f) A bail bond agency or producer is prohibited from acting on behalf of the surety to conduct the bail bond agency's or producer's own bail bond agency or producer audits.

Subd. 2. **Collateral audits.** (a) By April 30 each year, a surety must audit each licensed bail bond producer's bonds written during the previous calendar year to ensure the licensed bail bond producer has complied with this subdivision.

(b) A collateral audit under this subdivision must include confirmation that:

(1) a collateral log was maintained;

(2) a cash collateral account exists;

(3) the balance of the cash collateral indicated on the collateral log is identical to the amount held in the collateral trust account; and

(4) a collateral receipt exists for collateral collected, as represented by a sampling of the lesser of: (i) 20 percent of all bonds secured by collateral; or (ii) 12 bonds that were secured by collateral.

Subd. 3. **Audits report.** (a) By May 31 each year, a surety must prepare a report of the audits conducted under this section during that year. The report must include:

(1) a list of the bonds audited under subdivision 1 for each producer, including the power of attorney number used for each audited bond and whether full premium payment was made by the date the audit occurred;

(2) a list of the bonds included in a follow-up review of the previous year's audit, including whether full premium payment was collected by the date the audit occurred;

(3) the compliance certifications required under section 60M.07, subdivision 4; and

(4) details regarding any violations discovered during the audit or a statement that no violations were discovered, as applicable.

(b) The annual report under this subdivision must be maintained for a period of at least 36 months from the date the report is complete. Annual reports must be submitted to the commissioner by June 30 each year.

Sec. 36. **[60M.05] SOLICITATION.**

Subdivision 1. **Solicitation generally.** (a) A producer is prohibited from, in or on the grounds of a jail, prison, or other location where an incarcerated person is confined, or in or on the grounds of a court unless requested by the principal, a potential indemnitor, or the legal counsel of a principal:

(1) approaching, enticing, inviting, or soliciting a person to use a bail bond agency's services;

(2) distributing, displaying, or wearing an item that advertises a bail bond agency's services;

(3) no producer or bail bond agency is permitted to solicit by calling or leaving messages for principals on jail phones or any other messaging devices available to principals, while in custody; or

(4) no producer or bail bond agency is permitted to place money on the canteen or books of any individual held in custody.

(b) Notwithstanding paragraph (a), clause (3), permissible print advertising in a jail is limited to:

(1) a listing in a telephone directory; and

(2) posting the producer's or bail bond agency's name, address, and telephone number in a designated location within the jail, as approved by the jail.

Subd. 2. **Identification; marketing material.** A producer is prohibited from wearing or displaying any information, other than identification approved by the surety or bail bond agency, which constitutes marketing material that a surety or bail bond agency must approve and maintain under Minnesota Rules, chapter 2790. A producer is prohibited from displaying any information constituting marketing material in or on the property or grounds of: (1) a jail, prison, or other location where incarcerated people are confined; or (2) a court.

Subd. 3. **Other prohibited conduct.** (a) A producer is prohibited from loitering in or about the courthouse, jail, or any other place where individuals are held in custody.

(b) A producer is prohibited from making unauthorized and unsolicited cold calls without having first spoken with the principal.

(c) A producer is prohibited from soliciting a bond to a person by recorded or electronic communication, or by live telephone contact, unless the producer otherwise complies with applicable state and federal law, including but not limited to:

(1) the National Do Not Call Registry under Code of Federal Regulations, title 16, part 310; and

(2) the Telephone Consumer Protection Act of 1991, Code of Federal Regulations, title 47, part 64.1200.

(d) A surety, bail bond agency, or producer is prohibited from obtaining a credit check on a person unless the person has authorized the surety, bail bond agency, or producer to do so in writing. The surety, bail bond agency, or producer must retain the written authorization provided by the person subject to the credit check.

Subd. 4. **Compliance with other law.** (a) A surety, bail bond agency, and producer must comply with all federal and state privacy laws related to information provided to a producer during the application process and during bond underwriting by a bond principal, indemnitor, or other person.

(b) A surety, bail bond agency, and producer must comply with sections 60K.46, subdivision 6; 72A.494; 72A.496, subdivision 1; 72A.501; and 72A.502, subdivision 1.

(c) A surety, bail bond agency, and producer must receive preauthorization before collecting and disclosing personal or privileged information about an applicant or proposed insured, and must provide all notices otherwise required by Minnesota law.

(d) A surety, bail bond agency, and producer must otherwise comply with all applicable Minnesota law.

Subd. 5. **Insurance transaction.** The act of soliciting, underwriting, negotiating, or selling a bail bond constitutes an insurance transaction.

Sec. 37. **[60M.06] UNLICENSED INDIVIDUALS; NO REBATES OR PAYMENT.**

(a) With the exception of a contracted bail enforcement agent offering a reward for information that assists in the location and apprehension of a principal under section 629.63, a surety, bail bond agency, or producer is prohibited from paying a fee or commission, or otherwise giving or promising anything of value, to: (1) a jailer, police officer, peace officer, or any other person who has the power to arrest or hold an individual in custody; or (2) a judge, public official, or public employee.

(b) A surety, bail bond agency, or producer is prohibited from paying a fee or rebate, or otherwise giving or promising anything of value, to the individual seeking the producer's services or the individual seeking the producer's services on another individual's behalf.

(c) A surety, bail bond agency, or producer is prohibited from paying a fee or commission, or otherwise giving or promising anything of value, to a person for selling, soliciting, or negotiating a bail bond if the person is not properly licensed as a producer.

(d) A surety, bail bond agency, or producer is prohibited from paying a fee, rebate, or commission, or otherwise giving or promising anything of value, to an inmate for referring business or for any other reason related to soliciting, negotiating, or selling a bail bond.

Sec. 38. **[60M.07] OTHER PROVISIONS.**

Subdivision 1. **Compliance with standards of conduct.** A producer must comply with the Minnesota Court Administrator's Office's bail bond procedures and standards of conduct, including but not limited to while in or on the property of courts, jails, or other detention facilities in Minnesota. A surety or bail bond agency must require the surety or bail bond agency's producers to affirm that the producer complies with any changes to the bail bond procedures and standards of conduct as the changes are posted to the Minnesota state court website or the Minnesota Court Administrator's Office's website.

Subd. 2. **No waiver.** A producer is prohibited from soliciting or accepting a waiver of any requirement under this chapter.

Subd. 3. **Record maintenance.** (a) A bail bond agency and producer must maintain the following records on each bond for at least seven years after the date the bond is terminated:

(1) power of attorney;

(2) premium receipts;

(3) the promissory note for unpaid premium, if any;

(4) the cash bond amount set by the court, if an amount less than the filed rate is accepted for the premium;

(5) all documents related to any lawsuit filed to collect the premium;

(6) indemnity agreements;

(7) collateral receipts, if any;

(8) proof that collateral was returned, if any;

(9) proof of bond exoneration or forfeiture payment;

(10) all records relating to liquidating and converting collateral, including fees or costs; and

(11) proof of any expenses incurred or losses paid by the surety, bail bond agency, or producer.

(b) A bail bond agency and producer must maintain all premium account, collateral account, and operating account bank records, including deposit slips, for at least seven years after the records are made available.

(c) All records that a bail bond agency or producer maintain under this chapter must be kept in the bail bond agency or producer's office or storage location, as applicable. If a bail bond agency or producer's relationship with a surety is terminated, the information and documentation must be immediately transferred to:

(1) the bail bond agency, if the producer is terminated; or

(2) the surety, if the bail bond agency is terminated.

(d) A bail bond agency and producer's records must be available for the commissioner or the surety to inspect, with or without notice.

Subd. 4. **Compliance certification.** (a) During the surety's annual audit of a producer, the producer must sign a compliance certification form that attests to the producer's compliance with this chapter during the previous calendar year.

(b) Before a producer is appointed by a surety and at each license renewal thereafter, a producer must sign an affidavit of compliance form in which the producer acknowledges the producer is familiar and continually complies with the requirements under this chapter. The surety must retain completed affidavits and send requested affidavits to the commissioner within ten days of the date an affidavit is requested.

(c) The commissioner must establish the compliance certification and affidavit of compliance forms for use under this subdivision.

Subd. 5. **Producer termination; notice.** (a) If a producer's relationship with a surety is voluntarily or involuntarily terminated due to a violation of this chapter or because the surety determined the producer violated this chapter during an annual audit, the surety must, within 30 days of the date the producer is terminated, provide the commissioner with the terminated producer's name and the reason the producer was terminated.

(b) Another surety is prohibited from appointing a producer subject to a termination under paragraph (a) unless the department approves the appointment.

Subd. 6. **Access to information.** A surety, bail bonds agency, and producer are considered a government associated entity and are allowed to apply and be granted access to the Minnesota Government Access system under the Court Access Rules.

Subd. 7. **Surrender of a principal for bail revocation.** The courts, jails, and sheriff offices in Minnesota must comply with section 629.63, allowing for a principal to be surrendered and received by the jail of the county that the bail bond was originated from and to be held in custody until the principal can have a court hearing where the surety, bail bond agency, or producer can give evidence and make motion for the revocation and discharge of the bail bond.

Subd. 8. **Forfeiture timing requirement.** The court must order a bail bond forfeited and send notice to the surety, bail bond agency, or producer no later than 30 days from the date of a principal failing to appear at a scheduled hearing. If a court fails to forfeit a bail bond within 30 days of a principal failing to appear or fail to send

notice within seven days of the forfeiture to the surety, bail bond agency, or producer, the court must allow for a reinstatement and discharge of the bail bond without penalty. If a court fails to take action against the bail bond within 30 days of a principal failing to appear at a hearing, the court must allow for revocation and discharge without penalty.

Sec. 39. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL CORPORATE OFFERING REGISTRATION.

(a) **Federal covered securities.**

(1) **Required filing of records.** With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

(A) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 80A.88 signed by the issuer;

(B) after the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(C) to the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission.

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed. A previously filed consent to service of process complying with section 80A.88 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 80A.88 signed by the issuer not later than 15 days after the first sale of the federal covered security in this state.

(4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is a failure to comply with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

(b) **Small corporation offering registration.**

(1) **Registration required.** A security meeting the conditions set forth in this section may be registered as set forth in this section.

(2) **Availability.** Registration under this section is available only to the issuer of securities and not to an affiliate of the issuer or to any other person for resale of the issuer's securities. The issuer must be organized under the laws of one of the states or possessions of the United States. The securities offered must be exempt from registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

(3) **Disqualification.** Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934;

(B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

(v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,

(I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and

(II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

(4) **Filing and effectiveness of registration statement.** A small corporate offering registration statement must be filed with the administrator. If no stop order is in effect and no proceeding is pending under section 80A.54, such registration statement shall become effective automatically at the close of business on the 20th day after filing of the registration statement or the last amendment of the registration statement or at such earlier time as the administrator may designate by rule or order. For the purposes of a nonissuer transaction, other than by an affiliate of the issuer, all outstanding securities of the same class identified in the small corporate offering registration statement as a security registered under this chapter are considered to be registered while the small corporate offering registration statement is effective. A small corporate offering registration statement is effective for one year after its effective date or for any longer period designated in an order under this chapter. A small corporate offering registration statement may be withdrawn only with the approval of the administrator.

(5) **Contents of registration statement.** A small corporate offering registration statement under this section shall be on Form U-7, including exhibits required by the instructions thereto, as adopted by the North American Securities Administrators Association, or such alternative form as may be designated by the administrator by rule or order and must include:

(A) a consent to service of process complying with section 80A.88;

(B) a statement of the type and amount of securities to be offered and the amount of securities to be offered in this state;

(C) a specimen or copy of the security being registered, unless the security is uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents in effect, and a copy of any indenture or other instrument covering the security to be registered;

(D) a signed or conformed copy of an opinion of counsel concerning the legality of the securities being registered which states whether the securities, when sold, will be validly issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

(E) the states (i) in which the securities are proposed to be offered; (ii) in which a registration statement or similar filing has been made in connection with the offering including information as to effectiveness of each such filing; and (iii) in which a stop order or similar proceeding has been entered or in which proceedings or actions seeking such an order are pending;

(F) a copy of the offering document proposed to be delivered to offerees; and

(G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 80A.46(17)(B).

(6) **Copy to purchaser.** A copy of the offering document as filed with the administrator must be delivered to each person purchasing the securities prior to sale of the securities to such person.

(c) **Offering limit.** Offers and sales of securities under a small corporate offering registration as set forth in this section are allowed up to the limit prescribed by Code of Federal Regulations, title 17, part 230.504 (b)(2), as amended.

(d) **Regulation A - Tier 2 filing requirements.**

(1) **Initial filing.** An issuer planning to offer and sell securities in Minnesota in an offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before the date of the initial sale of securities in Minnesota, submit to the administrator:

(A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the documents filed with the Securities Exchange Commission; and

(B) a consent to service of process on Form U-2, if consent to service of process is not provided in the Regulation A - Tier 2 offering notice filing form.

The initial notice filing made in Minnesota is effective for 12 months after the date the filing is made.

(2) **Renewal.** For each additional 12-month period in which the same offering is continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing must be made on or before the date notice filing expires.

(3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting a Regulation A - Tier 2 offering notice filing form or other document describing the transaction.

Sec. 40. Minnesota Statutes 2022, section 80A.61, is amended to read:

80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT, FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.

(a) **Application for initial registration by broker-dealer, agent, investment adviser, or investment adviser representative.** A person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with section 80A.88, and paying the fee specified in section 80A.65 and any reasonable fees charged by the designee of the administrator for processing the filing. The application must contain:

(1) the information or record required for the filing of a uniform application; and

(2) upon request by the administrator, any other financial or other information or record that the administrator determines is appropriate.

(b) **Amendment.** If the information or record contained in an application filed under subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not pending under section 80A.67, registration becomes effective at noon on the 45th day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this chapter may set an earlier effective date or may defer the effective date until noon on the 45th day after the filing of any amendment completing the application.

(d) **Registration renewal.** A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under section 80A.67, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this chapter, by paying the fee specified in section 80A.65, and by paying costs charged by the designee of the administrator for processing the filings.

(e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this chapter may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

(f) **Funding portal registration.** A funding portal that has its principal place of business in the state of Minnesota shall register with the state of Minnesota by filing with the administrator a copy of the information or record required for the filing of an application for registration as a funding portal in the manner established by the Securities and Exchange Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with any rule adopted or order issued, and any amendments thereto.

(g) **Application for investment adviser representative registration.**

(1) The application for initial registration as an investment adviser representative pursuant to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities Industry Registration or Transfer) in accordance with the form instructions and by filing the form U-4 with the IARD. The application for initial registration must also include the following:

(i) proof of compliance by the investment adviser representative with the examination requirements of:

(A) the Uniform Investment Adviser Law Examination (Series 65); or

(B) the General Securities Representative Examination (Series 7) and the Uniform Combined State Law Examination (Series 66);

(ii) any other information the administrator may reasonably require.

(2) The application for the annual renewal registration as an investment adviser representative shall be filed with the IARD.

(3)(i) The investment adviser representative is under a continuing obligation to update information required by Form U-4 as changes occur;

(ii) An investment adviser representative and the investment adviser must file promptly with the IARD any amendments to the representative's Form U-4; and

(iii) An amendment will be considered to be filed promptly if the amendment is filed within 30 days of the event that requires the filing of the amendment.

(4) An application for initial or renewal of registration is not considered filed for purposes of section 80A.58 until the required fee and all required submissions have been received by the administrator.

(5) The application for withdrawal of registration as an investment adviser representative pursuant to section 80A.58 shall be completed by following the instructions on Form U-5 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5 with the IARD.

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

Sec. 41. Minnesota Statutes 2022, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the administrator; and

(3) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) **Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least $25,000, but not to exceed $100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization.

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

Sec. 42. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

Subd. 3. **Escrow or impoundment of fees and other funds by commissioner.** If the commissioner finds that the applicant has failed to demonstrate that adequate financial arrangements have been made to fulfill obligations to provide real estate, improvements, equipment, inventory, training or other items included in the offering, the commissioner may by rule or order require the escrow ~~or,~~ impoundment, or deferral of franchise fees and other funds paid by the franchisee or subfranchisor until no later than the time of opening of the franchise business.

Sec. 43. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

Subd. 26. **Standards of professional practice.** "Standards of professional practice" means the version of the uniform standards of professional appraisal practice of the ~~Appraisers~~ Appraisal Standards Board of the Appraisal Foundation in effect ~~as of January 1, 1991, or other version of these standards the commissioner may by order designate~~ on the date the appraiser signs the appraisal report.

Sec. 44. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain and maintain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 45. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. **License renewals.** ~~(a)~~ The commissioner must determine that a licensed real estate appraiser has met the continuing education requirements of this chapter before the commissioner renews a license. This determination must be based on, for a resident appraiser, course completion records uploaded electronically in a manner prescribed by the commissioner and, for a nonresident appraiser, course completion records presented by electronic transmission or uploaded electronically in a manner prescribed by the commissioner.

~~The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least 30 classroom hours of instruction in courses or seminars that have received the approval of the commissioner. Classroom hour credit must not be accepted for courses of less than two hours. As part of the continuing education requirements of this section, the commissioner must require that all real estate appraisers successfully complete the seven-hour national USPAP update course every two years. If the applicant's immediately preceding term of licensing consisted of six or more~~

~~months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria. An approved prelicense education course may be taken for continuing education credit.~~

~~(b) The 15 hour USPAP course cannot be used to satisfy the requirement to complete the seven hour national USPAP update course every two years.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 46. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

Subd. 2. **Imposing fee.** The board shall notify the commissioner of revenue if the unencumbered balance of the fund falls below $4,000,000, and within ~~60~~ 90 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Sec. 47. **RULEMAKING.**

(a) The commissioner of commerce must adopt rules to conform with the changes made to Minnesota Statutes, sections 80A.66 and 80C.05, subdivision 3, in this article with respect to investment adviser registration continuing education and franchise fees deferral, respectively. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

(b) The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply with the changes made and added in this article to Minnesota Statutes, sections 47.20, subdivision 2; 47.54, subdivisions 2 and 6; 48.24, subdivision 2; 58.02, subdivisions 15a, 18, and 21; 58.04, subdivisions 1 and 2; 58.05, subdivisions 1 and 3; 58.06, subdivisions 5, 6, and 7; 58.08, subdivisions 1a, 2, and 3; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; and 58.141. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section. Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 48. **REPEALER.**

Minnesota Statutes 2022, section 58.08, subdivision 3, is repealed.

ARTICLE 3
COMMERCIAL REGULATION AND CONSUMER PROTECTION

Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A, 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78; 471.617; ~~and~~ 471.982~~,~~; and 513.80, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of a string of characters that act as a record of and provide proof that the transaction was verified and added to the blockchain.

Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for less than 72 hours. After a 72-hour period has elapsed from the day of first signing up as a customer with a virtual currency kiosk operator, the customer will be considered an existing customer and no longer subject to the new customer transaction limit described in this act.

Sec. 4. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more than a 72-hour period. A new customer will automatically convert to an existing customer after the 72-hour period of first becoming a new customer. An existing customer is subject to the transaction limits described in this act.

Sec. 5. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric identifier representing a destination for a virtual currency transfer that is associated with a virtual currency wallet.

Sec. 6. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal acting as a mechanical agent of the virtual currency kiosk operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency, including but not limited to by (1) connecting directly to a separate virtual currency exchanger that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.

Sec. 7. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 11. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means a licensee that operates a virtual currency kiosk within Minnesota.

Sec. 8. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 12. **Virtual currency kiosk transaction.** "Virtual currency kiosk transaction" means a transaction conducted or performed, in whole or in part, by electronic means via a virtual currency kiosk. Virtual currency kiosk transaction also means a transaction made at a virtual currency kiosk to purchase currency with fiat currency or to sell virtual currency for fiat currency.

Sec. 9. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 13. **Virtual currency wallet.** "Virtual currency wallet" means a software application or other mechanism providing a means to hold, store, or transfer virtual currency.

Sec. 10. **[53B.75] VIRTUAL CURRENCY KIOSKS.**

Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose in a clear, conspicuous, and easily readable manner all material risks generally associated with virtual currency. The disclosures must be displayed on the screen of the virtual currency kiosk with the ability for a person to acknowledge the receipt of the disclosures. The disclosures must include at least the following information:

(1) virtual currency is not legal tender, backed or insured by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation protections;

(2) some virtual currency transactions are deemed to be made when recorded on a public ledger, which may not be the date or time when the person initiates the transaction;

(3) virtual currency's value may be derived from market participants' continued willingness to exchange fiat currency for virtual currency, which may result in the permanent and total loss of a particular virtual currency's value if the market for virtual currency disappears;

(4) a person who accepts a virtual currency as payment today is not required to accept and might not accept virtual currency in the future;

(5) the volatility and unpredictability of the price of virtual currency relative to fiat currency may result in a significant loss over a short period;

(6) the nature of virtual currency means that any technological difficulties experienced by virtual currency kiosk operators may prevent access to or use of a person's virtual currency; and

(7) any bond maintained by the virtual currency kiosk operator for the benefit of a person may not cover all losses a person incurs.

(b) The virtual currency kiosk operator must provide an additional disclosure, which must be acknowledged by the person, written prominently and in bold type, and provided separately from the disclosures above, stating: "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE. VIRTUAL CURRENCY TRANSACTIONS MAY BE USED BY SCAMMERS IMPERSONATING LOVED ONES, THREATENING JAIL TIME, AND INSISTING YOU WITHDRAW MONEY FROM YOUR BANK ACCOUNT TO PURCHASE VIRTUAL CURRENCY."

Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual currency. A virtual currency kiosk operator must make the disclosures in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:

(1) the person's liability for unauthorized virtual currency transactions;

(2) the person's right to:

(i) stop payment of a virtual currency transfer and the procedure to stop payment;

(ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of the transaction; and

(iii) prior notice of a change in the virtual currency kiosk operator's rules or policies;

(3) under what circumstances the virtual currency kiosk operator, without a court or government order, discloses a person's account information to third parties; and

(4) other disclosures that are customarily provided in connection with opening a person's account.

(b) Before each virtual currency transaction for, on behalf of, or with a person, a virtual currency kiosk operator must disclose the transaction's terms and conditions in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:

(1) the amount of the transaction;

(2) any fees, expenses, and charges, including applicable exchange rates;

(3) the type and nature of the transaction;

(4) a warning that once completed, the transaction may not be reversed;

(5) a daily virtual currency transaction limit of no more than $2,000;

(6) the difference in the virtual currency's sale price compared to the current market price; and

(7) other disclosures that are customarily given in connection with a virtual currency transaction.

Subd. 3. **Acknowledgment of disclosures.** Before completing a transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures required under this section via confirmation of consent. Additionally, upon a transaction's completion, the virtual currency kiosk operator must provide a person with a physical receipt, or a virtual receipt sent to the person's email address or SMS number, containing the following information:

(1) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;

(2) the type, value, date, and precise time of the transaction, transaction hash, and each virtual currency address;

(3) the fees charged;

(4) the exchange rate;

(5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed delivery;

(6) a statement of the virtual currency kiosk operator's refund policy; and

(7) any additional information the commissioner of commerce may require.

Subd. 4. **Refunds for new customers.** A virtual currency kiosk operator must issue a refund to a new customer for the full amount of all transactions made within the 72-hour new customer time period, as described in section 53B.69, subdivision 3b, upon request of the customer. In order to receive a refund under this subdivision, a customer must:

(1) have been fraudulently induced to engage in the virtual currency transactions; and

(2) within 14 days of the last transaction to occur during the 72-hour new customer time period, contact the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction.

Subd. 5. **Transaction limits.** (a) There is an established maximum daily transaction limit of $2,000 for each new customer of a virtual currency kiosk.

(b) The maximum daily transaction limit of an existing customer shall be decided by each virtual currency kiosk operator in compliance with federal law.

Sec. 11. Minnesota Statutes 2022, section 58B.02, subdivision 8, is amended to read:

Subd. 8. **Student loan.** "Student loan" means a government, commercial, or foundation ~~loan~~ extension of credit for actual costs paid for tuition and reasonable education and living expenses.

Sec. 12. Minnesota Statutes 2022, section 58B.02, is amended by adding a subdivision to read:

Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making, or extending student loans. Lender does not include, to the extent that state regulation is preempted by federal law:

(1) a bank, savings banks, savings and loan association, or credit union;

(2) a wholly owned subsidiary of a bank or credit union;

(3) an operating subsidiary where each owner is wholly owned by the same bank or credit union;

(4) the United States government, through Title IV of the Higher Education Act of 1965, as amended, and administered by the United States Department of Education;

(5) an agency, instrumentality, or political subdivision of Minnesota;

(6) a regulated lender organized under chapter 56, except that a regulated lender must file the annual report required for lenders under section 58B.03, subdivision 11; or

(7) a person who is not in the business of making student loans and who makes no more than three student loans, with the person's own funds, during any 12-month period.

Sec. 13. Minnesota Statutes 2022, section 58B.03, is amended by adding a subdivision to read:

Subd. 10. **Annual report.** (a) Beginning March 15, 2025, a student loan lender that secures, makes, or extends student loans in Minnesota must report to the commissioner on the form the commissioner provides:

(1) a list of all schools attended by borrowers who received a student loan from the student loan lender and resided within Minnesota at the time of the transaction and whose debt is still outstanding, including student loans used to refinance an existing debt;

(2) the total outstanding dollar amount owed by borrowers residing in Minnesota who received student loans from the student loan lender;

(3) the total number of student loans owed by borrowers residing in Minnesota who received student loans from the student loan lender;

(4) the total outstanding dollar amount and number of student loans owed by borrowers who reside in Minnesota, associated with each school identified under clause (1);

(5) the total dollar amount of student loans provided by the student loan lender to borrowers who resided in Minnesota in the prior calendar year;

(6) the total outstanding dollar amount and number of student loans owed by borrowers who resided in Minnesota, associated with each school identified under clause (1), that were provided in the prior calendar year;

(7) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan lender, if applicable;

(8) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan lender associated with each school identified under clause (1), if applicable;

(9) the range of initial interest rates for student loans provided by the student loan lender to borrowers who resided in Minnesota in the prior calendar year;

(10) the total number of borrowers who received student loans identified under clause (9), and the percentage of borrowers who received each rate identified under clause (9);

(11) the total dollar amount and number of student loans provided in the prior calendar year by the student loan lender to borrowers who resided in Minnesota at the time of the transaction and had a cosigner for the student loans;

(12) the total dollar amount and number of student loans provided by the student loan lender to borrowers residing in Minnesota used to refinance a prior student loan or federal student loan in the prior calendar year;

(13) the total dollar amount and number of student loans for which the student loan lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

(14) a copy of any model promissory note, agreement, contract, or other instrument used by the student loan lender in the previous year to substantiate that a borrower owes a new debt to the student loan lender; and

(15) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.

(b) In addition to annual reports, the commissioner may require additional regular or special reports as the commissioner deems necessary to properly supervise student loan lenders under this chapter.

(c) The commissioner of commerce must share data collected under this subdivision with the commissioner of higher education.

Sec. 14. Minnesota Statutes 2022, section 58B.03, is amended by adding a subdivision to read:

Subd. 11. **Annual report from student loan servicers.** (a) Beginning March 15, 2025, a student loan servicer that services student loans in Minnesota must report to the commissioner on the form the commissioner provides. The report must include:

(1) a list of any outstanding student loans owed by borrowers who reside in Minnesota that are serviced by the student loan servicer;

(2) the total outstanding dollar amount and number of student loans that are serviced by the student loan servicer and owed by borrowers who reside in Minnesota;

(3) the total dollar amount and number of student loans owed by borrowers who resided in Minnesota that were serviced by the student loan servicer in the prior calendar year;

(4) the rate of default for student loans owed by borrowers who reside in Minnesota that are serviced by the student loan servicer, if applicable;

(5) the range of interest rates for student loans serviced by the student loan servicers to borrowers who resided in Minnesota in the prior calendar year;

(6) the total outstanding dollar amount and number of student loans that were serviced by the student loan servicer and owed by borrowers residing in Minnesota to refinance a prior student loan or federal student loan; and

(7) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.

(b) In addition to annual reports, the commissioner may require additional regular or special reports as the commissioner deems necessary to properly supervise student loan servicers under this chapter.

(c) The commissioner of commerce must share data collected under this subdivision with the commissioner of higher education.

Sec. 15. Minnesota Statutes 2022, section 58B.06, subdivision 4, is amended to read:

Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer must:

(1) require the new student loan servicer to honor all benefits that were made available, or which may have become available, to a borrower from the original student loan servicer or is authorized under the student loan contract, including any benefits for which the student loan borrower has not yet qualified unless that benefit is no longer available under the federal or state laws and regulations; and

(2) transfer to the new student loan servicer all information regarding the borrower, the account of the borrower, and the borrower's student loan, including but not limited to the repayment status of the student loan and the benefits described in clause (1).

(b) The student loan servicer must complete the transfer under paragraph (a), clause (2), less than 45 days from the date of the sale, assignment, or transfer of the servicing.

(c) A sale, assignment, or transfer of the servicing must be completed no less than seven days from the date the next payment is due on the student loan.

(d) A new student loan servicer must adopt policies and procedures to verify that the original student loan servicer has met the requirements of paragraph (a).

Sec. 16. Minnesota Statutes 2022, section 58B.06, subdivision 5, is amended to read:

Subd. 5. **Income-driven repayment.** (a) A student loan servicer must evaluate a borrower for eligibility for an income-driven repayment program before placing a borrower in forbearance or default.

(b) A student loan servicer must provide the following information on the student loan servicer's website:

(1) a description of any income-driven repayment programs available under the student loan contract or federal or state laws and regulations; and

(2) information on the policies and procedures the student loan servicer implements to facilitate the evaluation of student loan income-driven repayment program requests, including accurate information regarding any options that may be available to the borrower through the promissory note or that may have been marketed to the borrower through marketing materials.

Sec. 17. Minnesota Statutes 2022, section 58B.07, subdivision 1, is amended to read:

Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or indirectly employ any scheme, device, or artifice to attempt to defraud or mislead a borrower.

Sec. 18. Minnesota Statutes 2022, section 58B.07, subdivision 3, is amended to read:

Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or negligently misapply student loan payments to the outstanding balance of a student loan.

Sec. 19. Minnesota Statutes 2022, section 58B.07, subdivision 9, is amended to read:

Subd. 9. **Incorrect information regarding student ~~loan forgiveness~~ loans.** (a) A student loan servicer must not misrepresent the availability of student loan forgiveness for which the servicer has reason to know the borrower is eligible. This includes but is not limited to student loan forgiveness programs specific to military borrowers, borrowers working in public service, or borrowers with disabilities.

(b) A student loan servicer must not provide incorrect information related to forbearance. If a student loan servicer suggests placing a borrower in forbearance in lieu of a repayment program that would result in savings to the borrower and the borrower relies on this information, the student loan servicer shall be subject to the penalties provided under section 58B.09.

Sec. 20. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 11. **Property.** A student loan servicer must not obtain property by fraud or misrepresentation.

Sec. 21. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 12. **Customer service.** A student loan servicer must not allow a borrower to remain on hold during an individual call for more than two hours unless the student loan servicer returns the borrower's phone call within 24 hours of the two hours expiring. A student loan servicer must not allow a call on hold to automatically lapse or end upon reaching a duration of two hours to satisfy this requirement.

Sec. 22. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 13. **Abusive acts or practices.** A student loan servicer must not engage in abusive acts or practices when servicing a student loan in this state. An act or practice is abusive in connection with the servicing of a student loan if that act or practice:

(1) materially interferes with the ability of a borrower to understand a term or condition of a student loan; or

(2) takes unreasonable advantage of any of the following:

(i) a lack of understanding on the part of a borrower of the material risks, costs, or conditions of the student loan;

(ii) the inability of a borrower to protect the interests of the borrower when selecting or using a student loan or feature, term, or condition of a student loan; or

(iii) the reasonable reliance by the borrower on a student loan servicer to act in the interests of the borrower.

Sec. 23. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 14. **Violations.** A violation of this section is an unlawful practice under section 325D.44.

Sec. 24. Minnesota Statutes 2022, section 58B.09, is amended by adding a subdivision to read:

Subd. 4. **Private right of action.** (a) A borrower who suffers damage as a result of the failure of a student loan servicer to comply with this chapter may bring an action on a borrower's own behalf and on behalf of a similarly situated class of persons against that student loan servicer to recover or obtain:

(1) actual damages, except that the total award of damages must be at least $500 per plaintiff, per violation;

(2) an order enjoining the methods, acts, or practices;

(3) restitution of property;

(4) punitive damages;

(5) reasonable attorney fees; and

(6) any other relief that the court deems proper.

(b) In addition to any other remedies provided by this subdivision or otherwise provided by law, if a student loan servicer is shown, by a preponderance of the evidence, to have engaged in conduct that substantially interferes with a borrower's right to an alternative payment arrangement; loan forgiveness, cancellation, or discharge; or any other financial benefit established under the terms of a borrower's promissory note or under the Higher Education Act of 1965, United States Code, title 20, section 1070a, et seq., a borrower is entitled to damages of at least $1,500 per plaintiff, per violation.

(c) At least 45 days before bringing an action for damages or injunctive relief under this chapter, a borrower must:

(1) provide written notice to the student loan servicer alleged to have violated this chapter regarding the nature of the alleged violations; and

(2) demand that the student loan servicer correct and remedy the method, act, or practice identified in the notice under clause (1).

(d) The notice required by this subdivision must be sent by certified or registered mail, return receipt requested, to the student loan servicer's address on file with the Department of Commerce or to the student loan servicer's principal place of business in Minnesota.

(e) An action for damages or injunctive relief brought by a borrower only on the individual borrower's behalf must not be maintained under paragraph (a) upon a showing by a student loan servicer that an appropriate correction and remedy is given, or is agreed to be given within a reasonable time, to the borrower within 30 days after the notice is received.

(f) An action for damages brought by a borrower on both the borrower's behalf and on behalf of a similarly situated class of persons must not be maintained under paragraph (a) upon a showing by a student loan servicer alleged to have employed or committed a method, act, or practice declared unlawful if:

(1) all borrowers similarly situated have been identified or a reasonable effort to identify other borrowers has been made;

(2) all borrowers identified have been notified that, upon the borrower's request, the student loan servicer must make the appropriate correction and remedy;

(3) the correction and remedy requested by the borrower has been given or is given within a reasonable amount of time; and

(4) the student loan servicer has ceased from engaging, or if immediate cessation is impossible or unreasonably expensive under the circumstances, the student loan servicer ceases to engage within a reasonable amount of time, in the method, act, or practice.

(g) An attempt to comply with a demand described in paragraph (c) by a student loan servicer that receives the demand is construed as an offer to compromise and is inadmissible as evidence under Minnesota Rules of Evidence, rule 408. An attempt to comply with a demand is not an admission of engaging in an act or practice declared unlawful by paragraph (a). Evidence of compliance or attempts to comply with this section may be introduced by a defendant to establish good faith or to show compliance with paragraph (a).

(h) An award of damages must not be given in an action based on a method, act, or practice in violation of paragraph (a) if the student loan servicer alleged to have employed or committed that method, act, or practice:

(1) proves by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error, notwithstanding the use of reasonable procedures adopted to avoid that error; and

(2) makes an appropriate correction, repair, replacement, or other remedy under paragraphs (e) and (f).

Sec. 25. **[62J.805] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of sections 62J.805 to 62J.808, the following terms have the meanings given.

Subd. 2. **Billing error.** "Billing error" means an error in a bill from a health care provider to a patient for health treatment or services that affects the amount owed by the patient according to that bill. Billing error includes but is not limited to (1) miscoding a health treatment or service, (2) an error in determining whether a health treatment or service is covered under the patient's health plan, or (3) an error in determining the cost-sharing owed by the patient.

Subd. 3. **Group practice.** "Group practice" has the meaning given to health care provider group practice in section 145D.01, subdivision 1.

Subd. 4. **Health care provider.** "Health care provider" means:

(1) a health professional who is licensed or registered by the state to provide health treatment and services within the professional's scope of practice and in accordance with state law;

(2) a group practice; or

(3) a hospital.

Subd. 5. **Health plan.** "Health plan" has the meaning given in section 62A.011, subdivision 3.

Subd. 6. **Hospital.** "Hospital" means a health care facility licensed as a hospital under sections 144.50 to 144.56.

Subd. 7. **Medically necessary.** "Medically necessary" means:

(1) safe and effective;

(2) not experimental or investigational, except as provided in Code of Federal Regulations, title 42, section 411.15(o);

(3) furnished in accordance with acceptable medical standards of medical practice to diagnose or treat the patient's condition, or to improve the function of a malformed body member;

(4) furnished in a setting appropriate to the patient's medical need and condition;

(5) ordered and furnished by qualified personnel;

(6) meets, but does not exceed, the patient's medical need; and

(7) is at least as beneficial as an existing and available medically appropriate alternative.

Subd. 8. **Payment.** "Payment" includes co-payments and coinsurance and deductible payments made by a patient.

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

Sec. 26. **[62J.806] POLICY FOR COLLECTION OF MEDICAL DEBT.**

Subdivision 1. **Requirement.** A health care provider must make available to the public the health care provider's policy for collecting medical debt from patients. The policy must be made available by:

(1) clearly posting the policy on the health care provider's website or, for health professionals, on the website of the health clinic, group practice, or hospital at which the health professional is employed or under contract; and

(2) providing a copy of the policy to any individual who requests the policy.

Subd. 2. **Content.** A policy made available under this section must at least specify the procedures followed by the health care provider to:

(1) communicate with patients about the medical debt owed and collecting medical debt;

(2) refer medical debt to a collection agency or law firm for collection; and

(3) identify medical debt as uncollectible or satisfied, and ending collection activities.

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

Sec. 27. **[62J.807] DENIAL OF HEALTH TREATMENT OR SERVICES DUE TO OUTSTANDING MEDICAL DEBT.**

(a) A health care provider must not deny medically necessary health treatment or services to a patient or any member of the patient's family or household because of current or previous outstanding medical debt owed by the patient or any member of the patient's family or household to the health care provider, regardless of whether the health treatment or service may be available from another health care provider.

(b) As a condition of providing medically necessary health treatment or services in the circumstances described in paragraph (a), a health care provider may require the patient to enroll in a payment plan for the outstanding medical debt owed to the health care provider. The payment plan must be reasonable and must take into account any information disclosed by the patient regarding the patient's ability to pay. Before entering into the payment plan, a health care provider must notify the patient that if the patient is unable to make all or part of the agreed-upon installment payments, the patient must communicate the patient's situation to the health care provider and must pay an amount the patient can afford.

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

Sec. 28. **[62J.808] BILLING ERRORS; HEALTH TREATMENT OR SERVICES.**

Subdivision 1. **Billing and acceptance of payment.** (a) If a health care provider or health plan company determines or receives notice from a patient or other person that a bill from the health care provider to a patient for health treatment or services may contain one or more billing errors, the health care provider or health plan company must review the bill and correct any billing errors found. While the review is being conducted, the health care provider must not bill the patient for any health treatment or service subject to review for potential billing errors. A health care provider may bill the patient for the health treatment and services that were reviewed for potential billing errors under this subdivision only after the review is complete, any billing errors are corrected, and a notice of completed review required under subdivision 3 is transmitted to the patient.

(b) If, after completing the review under paragraph (a) and correcting any billing errors, a health care provider or health plan company determines the patient overpaid the health care provider under the bill, the health care provider must, within 30 days after completing the review, refund to the patient the amount the patient overpaid under the bill.

Subd. 2. **Notice to patient of potential billing error.** (a) If a health care provider or health plan company determines or receives notice from a patient or other person that a bill from the health care provider to a patient for health treatment or services may contain one or more billing errors, the health care provider or health plan company must notify the patient:

(1) of the potential billing error;

(2) that the health care provider or health plan company must review the bill and correct any billing errors found; and

(3) that while the review is being conducted, the health care provider must not bill the patient for any health treatment or service subject to review for potential billing errors.

(b) The notice required under this subdivision must be transmitted to the patient within 30 days after the date the health care provider or health plan company determines or receives notice that the patient's bill may contain one or more billing errors.

Subd. 3. **Notice to patient of completed review.** When a health care provider or health plan company completes a review of a bill for potential billing errors, the health care provider or health plan company must (1) notify the patient that the review is complete, (2) explain in detail how any identified billing errors were corrected or explain in detail why the health care provider or health plan company did not modify the bill as requested by the patient or other person, and (3) include applicable coding guidelines, references to health records, and other relevant information. This notice must be transmitted to the patient within 30 days after the date the health care provider or health plan company completes the review.

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

Sec. 29. Minnesota Statutes 2023 Supplement, section 144.587, subdivision 4, is amended to read:

Subd. 4. **Prohibited actions.** (a) A hospital must not initiate one or more of the following actions until the hospital determines that the patient is ineligible for charity care or denies an application for charity care:

(1) offering to enroll or enrolling the patient in a payment plan;

(2) changing the terms of a patient's payment plan;

(3) offering the patient a loan or line of credit, application materials for a loan or line of credit, or assistance with applying for a loan or line of credit, for the payment of medical debt;

(4) referring a patient's debt for collections, including in-house collections, third-party collections, revenue recapture, or any other process for the collection of debt; or

~~(5) denying health care services to the patient or any member of the patient's household because of outstanding medical debt, regardless of whether the services are deemed necessary or may be available from another provider; or~~

~~(6)~~ (5) accepting a credit card payment of over $500 for the medical debt owed to the hospital.

(b) A violation of section 62J.807 is a violation of this subdivision.

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

Sec. 30. Minnesota Statutes 2022, section 176.175, subdivision 2, is amended to read:

Subd. 2. **Nonassignability.** No claim for compensation or settlement of a claim for compensation owned by an injured employee or dependents is assignable. Except as otherwise provided in this chapter, any claim for compensation owned by an injured employee or dependents is exempt from seizure or sale for the payment of any debt or liability, up to a total amount of $1,000,000 per claim and subsequent award.

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

Sec. 31. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline~~, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate."~~ For nonoxygenated gasoline not exempt under

subdivisions 10 to 14, 16, and 17, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

(b) A delivery ticket required under section 239.092 for biofuel blended with gasoline must state the volume percentage of biofuel blended into gasoline delivered through a meter into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14 ~~and~~, 16, and 17.

(c) On or before the 23rd day of each month, a person responsible for the product must report to the department, in the form prescribed by the commissioner, the gross number of gallons of intermediate blends sold at retail by the person during the preceding calendar month. The report must identify the number of gallons by blend type. For purposes of this subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel content, exclusive of denaturants and other permitted components, is greater than ten percent and no more than 50 percent by volume. This paragraph only applies to a person who is responsible for selling intermediate blends at retail at more than ten locations. A person responsible for the product at fewer than ten locations is not precluded from reporting the gross number of intermediate blends if a report is available.

(d) All reports provided pursuant to paragraph (c) are nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 32. Minnesota Statutes 2022, section 239.791, is amended by adding a subdivision to read:

Subd. 17. **Bulk delivery of premium grade gasoline; exemption.** (a) A person responsible for the product may offer for sale, sell, or deliver a bulk delivery of unleaded premium grade gasoline, as defined in section 239.751, subdivision 4, that is not oxygenated in accordance with subdivision 1 if the conditions in paragraphs (b) to (d) are met.

(b) Nonoxygenated gas is only for use in vehicles that qualify for an exemption under subdivision 12, paragraph (a).

(c) No more than one bulk fuel storage tank on the premises may be used for storage of the nonoxygenated gasoline.

(d) The bulk fuel delivery is 500 gallons or less.

Sec. 33. Minnesota Statutes 2022, section 270C.63, subdivision 8, is amended to read:

Subd. 8. **Exempt property.** The lien imposed on personal property by this section, even though properly filed, is not enforceable: (1) against a purchaser with respect to tangible personal property purchased at retail in the ordinary course of the seller's trade or business, unless at the time of purchase the purchaser intends the purchase to or knows the purchase will hinder, evade, or defeat the collection of a tax; or (2) against the personal property listed as exempt in ~~sections~~ (i) Minnesota Statutes 2022, section 550.37, and (ii) sections 550.38~~,~~ and 550.39.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 34. Minnesota Statutes 2022, section 270C.65, subdivision 1, is amended to read:

Subdivision 1. **Certification by commissioner.** The commissioner of revenue is authorized to certify to the commissioner of management and budget, or to any state agency described in subdivision 3 which disburses its own funds, that a taxpayer has an uncontested delinquent tax liability owed to the commissioner of revenue. The certification must be made within ten years after the date of assessment of the tax. Once certification is made, the commissioner of management and budget or the state agency shall apply to the delinquent tax liability funds

sufficient to satisfy the unpaid tax liability from funds appropriated for payment of an obligation of the state or any of its agencies that are due and owing the taxpayer. No setoff shall be made against any funds exempt under Minnesota Statutes 2022, section 550.37, or those funds owed an individual taxpayer who receives assistance under the provisions of chapter 256.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 35. Minnesota Statutes 2022, section 270C.67, subdivision 1a, is amended to read:

Subd. 1a. **Exempt property.** A levy under this section is not enforceable against:

(1) a purchaser with respect to tangible personal property purchased at retail in the ordinary course of the seller's trade or business, unless at the time of purchase the purchaser intends the purchase to or knows the purchase will hinder, evade, or defeat the collection of a tax; or

(2) the personal property listed as exempt in ~~sections~~ (i) Minnesota Statutes 2022, section 550.37, and (ii) sections 550.38~~,~~ and 550.39.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 36. Minnesota Statutes 2022, section 270C.67, subdivision 11, is amended to read:

Subd. 11. **Levy and sale by sheriff.** If any tax payable to the commissioner or to the department is not paid as provided in subdivision 3, the commissioner may, within the time periods provided in subdivision 1 for collection of taxes, delegate the authority granted by subdivision 1, by means of issuing a warrant to the sheriff of any county of the state commanding the sheriff, as agent for the commissioner, to levy upon and sell the real and personal property of the person liable for the payment or collection of the tax and to levy upon the rights to property of that person within the county, or to levy upon and seize any property within the county on which there is a lien provided in section 270C.63, and to return the warrant to the commissioner and pay to the commissioner the money collected by virtue thereof by a time to be therein specified not less than 60 days from the date of the warrant. The sheriff shall proceed thereunder to levy upon and seize any property of the person and to levy upon the rights to property of the person within the county (except the person's homestead or that property which is exempt from execution pursuant to Minnesota Statutes 2022, section 550.37), or to levy upon and seize any property within the county on which there is a lien provided in section 270C.63. For purposes of the preceding sentence, "tax" includes any penalty, interest, and costs, properly payable. The sheriff shall then sell so much of the property levied upon as is required to satisfy the taxes, interest, and penalties, together with the sheriff's costs; but the sales, and the time and manner of redemption therefrom, shall, to the extent not provided in sections 270C.7101 to 270C.7109, be governed by Minnesota Statutes 2022, chapter 550. The proceeds of the sales, less the sheriff's costs, shall be turned over to the commissioner, who shall then apply the proceeds as provided in section 270C.7108.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 37. Minnesota Statutes 2022, section 270C.69, subdivision 1, is amended to read:

Subdivision 1. **Notice and procedures.** (a) The commissioner may, within five years after the date of assessment of the tax, or if a lien has been filed under section 270C.63, within the statutory period for enforcement of the lien, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with

respect to any taxes, including penalties, interest, and costs. The commissioner can proceed under this section only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this section until the expiration of 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice of (1) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (2) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this section. The effect of the notice shall expire one year after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice which is in accordance with this section. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in Minnesota Statutes 2022, section 571.72. The notice shall further inform the taxpayer of the wage exemptions contained in Minnesota Statutes 2022, section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, the commissioner may proceed under this section. The notice to the taxpayer's employer may be served by mail or by delivery by an agent of the department and shall be in substantially the same form as provided in Minnesota Statutes 2022, section 571.75. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of Minnesota Statutes 2022, section 571.922. The employer shall continue to withhold each pay period until the notice is released by the commissioner under section 270C.7109. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

(b) The "compensation due" any employee is defined in accordance with the provisions of Minnesota Statutes 2022, section 571.921. The maximum withholding allowed under this section for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the commissioner of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the commissioner as noted in this section.

(c) Within ten days after the expiration of such pay period, the employer shall remit to the commissioner, in the manner prescribed by the commissioner, the amount withheld during each pay period under this section. The employer must file all wage levy disclosure forms and remit all wage levy payments by electronic means.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 38. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a ~~permanent~~ record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal or a motor vehicle. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased or acquired and a unique transaction identifier;

(3) a photocopy or electronic scan of the seller's proof of identification including the identification number;

(4) the amount paid and the number of the check or electronic transfer used to purchase or acquire the scrap metal or motor vehicle;

(5) the license plate number and description of the vehicle used by the person when delivering the scrap metal or motor vehicle, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

(6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;

(7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal or motor vehicle was received by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount paid for the scrap metal or motor vehicle; and

~~(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source. The alternative number must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement; and~~

~~(9)~~ (8) the identity or identifier of the employee completing the transaction.

(b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.

(c) Except for the purchase or acquisition of detached catalytic converters or motor vehicles, no record is required for property purchased or acquired from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased or acquired at open sale from any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.

(d) The dealer must provide a copy of the receipt required under paragraph (a), clause (7), to the seller in every transaction.

(e) The commissioner of public safety and law enforcement agencies in the jurisdiction where a dealer is located may conduct inspections and audits as necessary to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.

(f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 39. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 11, is amended to read:

Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful for a person to possess a used catalytic converter that is not attached to a motor vehicle except when:

(1) the converter is marked with the date the converter was removed from the vehicle and the identification number of the vehicle from which the converter was removed or ~~an alternative number to the vehicle identification number~~, as an alternative to the vehicle identification number, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source; or

(2) the converter has been EPA certified for reuse as a replacement part.

(b) If an alternative number to the vehicle identification number is used, it must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement. The marking of the vehicle identification or alternative number may be made in any permanent manner, including but not limited to an engraving or use of permanent ink. The marking must clearly and legibly indicate the date removed and the vehicle identification number or the alternative number and the method by which law enforcement can link the converter to the vehicle identification number.

Sec. 40. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 1, is amended to read:

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

(b) "Essential consumer good or service" means a good or service that is vital and necessary for the health, safety, and welfare of the public, including without limitation: food; water; fuel; gasoline; shelter; construction materials; transportation; health care services; pharmaceuticals; and medical, personal hygiene, sanitation, and cleaning supplies.

(c) "Restoration and mitigation services provider" means a person or business that provides a service to prevent further damage to property following a fire, smoke, water, or storm event. Services include but are not limited to boarding up property, water extraction, drying, smoke or odor removal, cleaning, and personal property inventory, removal, and storage.

(d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of goods and services.

(e) "Tree trimmer" means a person registered under section 18G.07.

~~(d)~~ (f) "Unconscionably excessive price" means a price that represents a gross disparity compared to the seller's average price of an essential good or service, offered for sale or sold in the usual course of business, in the 60-day period before an abnormal market disruption is declared under subdivision 2. None of the following is an unconscionably excessive price:

(1) a price that is substantially related to an increase in the cost of manufacturing, obtaining, replacing, providing, or selling a good or service;

(2) a price that is no more than 25 percent above the seller's average price during the 60-day period before an abnormal market disruption is declared under subdivision 2;

(3) a price that is consistent with the fluctuations in applicable commodity markets or seasonal fluctuations; or

(4) a contract price, or the results of a price formula, that was established before an abnormal market disruption is declared under subdivision 2.

Sec. 41. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 5, is amended to read:

Subd. 5. **Prices and rates.** Upon the occurrence of a weather event classified as a severe thunderstorm pursuant to the criteria established by the National Oceanic and Atmospheric Administration, a residential building contractor, tree trimmer, or restoration and mitigation services provider operating within the geographic region impacted by the weather event and repairing damage caused by the weather event shall not:

(1) charge an unconscionably excessive price for labor in comparison to the market price charged for comparable services in the geographic region impacted by the weather event; or

(2) charge an insurance company a rate that exceeds what the residential building contractor, tree trimmer, or restoration and mitigation services provider would otherwise ~~charges members~~ charge a member of the general public.

Sec. 42. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 6, is amended to read:

Subd. 6. **Civil penalty.** A person who is found to have violated ~~this section~~ subdivision 4 is subject to a civil penalty of not more than $1,000 per sale or transaction, with a maximum penalty of $25,000 per day. No other penalties may be imposed for the same conduct regulated under ~~this section~~ subdivision 4.

Sec. 43. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 7, is amended to read:

Subd. 7. **Enforcement authority.** (a) The attorney general may investigate and bring an action using the authority under section 8.31 against a seller ~~or,~~ residential building contractor, tree trimmer, or restoration and mitigation services provider for an alleged violation of this section.

(b) Nothing in this section creates a private cause of action in favor of a person injured by a violation of this section.

Sec. 44. Minnesota Statutes 2022, section 325F.03, is amended to read:

325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.

No person, firm or corporation shall establish, maintain or operate any circus, side show, carnival, tent show, theater, skating rink, dance hall, or a similar exhibition, production, engagement or offering or other place of assemblage in or under which ~~ten~~ 15 or more persons may gather for any lawful purpose in any tent, awning or other fabric enclosure unless such tent, awning or other fabric enclosure, and all auxiliary tents, curtains, drops, awnings and all decorative materials, are made from a nonflammable material or are treated and maintained in a flame resistant condition. This section ~~shall~~ does not apply to tents designed or manufactured for camping, backpacking, mountaineering, or children's play; tents used to conduct committal services on the grounds of a cemetery~~,~~; nor to tents, awnings or other fabric enclosures erected and used within a sound stage, or other similar structural enclosure which is equipped with an overhead automatic sprinkler system.

Sec. 45. Minnesota Statutes 2022, section 325F.04, is amended to read:

325F.04 FLAME RESISTANT TENTS ~~AND SLEEPING BAGS~~.

No person, firm, or corporation may sell or offer for sale or manufacture for sale in this state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or manufacture for sale in this state any sleeping bag unless it meets the standards of the commissioner of public safety for flame resistancy.~~ Tents ~~and sleeping bags~~ subject to section 325F.03 shall be conspicuously labeled as being durably flame resistant.

Sec. 46. Minnesota Statutes 2022, section 325F.05, is amended to read:

325F.05 RULES.

The commissioner of public safety shall act so as to have effective rules concerning standards for ~~nonflammable, flame resistant and~~ durably flame resistant materials and for labeling requirements ~~by January 1, 1976~~ under sections 325F.03 and 325F.04. In order to comply with sections 325F.03 and 325F.04 all materials and labels must comply with the rules adopted by the commissioner. The commissioner has general rulemaking power to otherwise implement sections 325F.03 to 325F.07.

Sec. 47. **[325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1-DIFLUOROETHANE (DFE).**

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

(b) "Aerosol duster" means a product used to clean electronics and other items by means of an aerosol sprayed from a pressurized container.

(c) "Behind-the-counter" means placement by a retailer of a product to ensure that customers do not have direct access to the product before a sale is made, requiring the seller to deliver the product directly to the buyer.

(d) "DFE" or "1,1-difluoroethane" means a chemical with a Chemicals Abstract Service Registry Number of 75-37-6.

Subd. 2. **Requirements for retail sale.** A retailer must only sell an aerosol duster that contains DFE:

(1) from behind the counter;

(2) to a purchaser who presents valid evidence that the purchaser is at least 21 years of age; and

(3) in a quantity that complies with the purchasing limit established in subdivision 3.

Subd. 3. **Purchasing limit.** (a) A retailer is prohibited from selling more than three cans of an aerosol duster containing DFE to a customer in a single transaction.

(b) A retailer is prohibited from selling aerosol dusters containing DFE through same day pick up services or same day delivery services.

Subd. 4. **Exemption.** (a) Subdivisions 2 and 3 do not apply to a business purchasing aerosol dusters online.

(b) Office wholesalers can sell more than three cans of aerosol dusters containing DFE to a business they have a contract with.

Subd. 5. **Labeling.** (a) An aerosol duster manufactured after May 31, 2025, must not be sold in this state unless the aerosol duster clearly warns against the dangers of intentionally misusing duster aerosol products.

(b) The font size of this warning shall be the same or larger than other warning language. The font color and background of the label must be in contrasting colors.

(c) The label on each can of aerosol duster containing DFE must contain the following:

(1) the words "DANGER: DEATH! Breathing this product to get high can kill you!"; and

(2) the poison control phone number, 1-800-222-1222.

(d) In order to comply with paragraph (a), a label may include, but is not limited to the words:

(1) "Deliberate misuse by concentrating and inhaling the contents can be harmful or fatal!"; and

(2) "Intentional misuse by deliberately concentrating and inhaling the vapors can be harmful or fatal!".

(e) The safety symbols and color standards of the label described in this section must conform with the ANSI Z535 safety signage standards guidelines established by the American National Standards Institute.

Subd. 6. **Violations.** (a) A person who violates subdivision 2 or 3 is guilty of a misdemeanor.

(b) It is an affirmative defense to a charge under subdivision 2, clause (2), if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to purchases of aerosol dusters made on or after that date.

Sec. 48. Minnesota Statutes 2022, section 325F.56, subdivision 2, is amended to read:

Subd. 2. **Repairs.** "Repairs" means work performed for a total price of more than $100 ~~and less than $7,500~~, including the price of parts and materials, to restore a malfunctioning, defective, or worn motor vehicle, appliance, or dwelling place used primarily for personal, family, or household purposes and not primarily for business or agricultural purposes. "Repairs" do not include service calls or estimates.

Sec. 49. Minnesota Statutes 2022, section 325F.62, subdivision 3, is amended to read:

Subd. 3. **Required notice to be displayed.** Each shop shall conspicuously display a sign that states the following: "Upon a customer's request, this shop is required to provide a written estimate for repairs costing more than $100 ~~to $7,500~~ if the shop agrees to perform the repairs. The shop's final price cannot exceed its written estimate by more than ten percent without the prior authorization of the customer. You must request that the estimate be in writing. An oral estimate is not subject to the above repair cost limitations." If the shop charges a fee for the storage or care of repaired motor vehicles or appliances, the shop shall conspicuously display a sign that states the amount assessed for storage or care, when the charge begins to accrue, and the interval of time between assessments."

Sec. 50. **[325F.782] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 325F.782 to 325F.7822, the following terms have the meanings given.

Subd. 2. **Minor.** "Minor" means an individual who is younger than 21 years of age.

Subd. 3. **Vapor product.** "Vapor product" means a noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size, that can be used to produce vapor from nicotine or any other substance, and the use or inhalation of which simulates smoking. Vapor product includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. Vapor product also includes a vapor cartridge or other container of nicotine or other substance in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device.

Sec. 51. **[325F.7821] PROHIBITION ON DECEPTIVE VAPOR PRODUCTS.**

A person or entity must not market, promote, label, brand, advertise, distribute, offer for sale, or sell a vapor product by:

(1) imitating a product that is not a vapor product, including but not limited to:

(i) a food or brand of food commonly marketed to minors, including but not limited to candy, desserts, and beverages;

(ii) school supplies commonly used by minors, including but not limited to erasers, highlighters, pens, and pencils; and

(iii) a product based on or depicting a character, personality, or symbol known to appeal to minors, including but not limited to a celebrity; a character in a comic book, movie, television show, or video game; and a mythical creature;

(2) attempting to conceal the nature of the vapor product from parents, teachers, or other adults; or

(3) using terms for, describing, or depicting any product described in clause (1).

Sec. 52. **[325F.812] CELLULAR TELEPHONE CASES.**

Subdivision 1. **Certain cellular telephone cases; prohibition.** A person is prohibited from purchasing, possessing, importing, manufacturing, selling, holding for sale, or distributing a cellular telephone case, stand, or cover that is a facsimile of or reasonably appears to be a firearm, including but not limited to a pistol or revolver.

Subd. 2. **Enforcement.** This section may be enforced by the attorney general under section 8.31, but a court may not impose a civil penalty of more than $500 for a violation of this section.

Sec. 53. Minnesota Statutes 2022, section 325G.24, is amended to read:

325G.24 RIGHT OF CANCELLATION.

Subdivision 1. **Right of cancellation.** (a) Any person who has elected to become a member of a club may unilaterally cancel such membership, in the person's exclusive discretion, by giving ~~written~~ notice of cancellation at any time before midnight of the third business day following the date on which membership was attained. ~~Notice of cancellation may be given personally or by mail.~~

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed and postage prepaid. ~~Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the member not to be bound by the contract.~~

(c) Cancellation under this subdivision shall be without liability on the part of the member and the member shall be entitled to a refund, within ten days after notice of cancellation is given, of the entire consideration paid for the contract. ~~Rights of cancellation may not be waived or otherwise surrendered.~~

Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to become a member of a club may unilaterally terminate such membership, in the person's exclusive discretion, by giving notice of termination at any time.

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed, and postage prepaid.

(c) A club must not impose a termination fee or any other liability on the member for termination under this subdivision.

(d) Termination under this subdivision is effective at the end of the membership term in which the member provides the notice of termination. If membership is at-will without a defined membership term, then termination under this subdivision is effective immediately, unless the member indicates a future effective date of termination, in which event the date indicated by the member is the effective date of termination.

(e) If a member provides notice of termination at any time before midnight of the third business day following the date on which membership was attained, the club must treat the notice as a notice of cancellation under subdivision 1, unless the member specifically provides for a future termination effective date.

Subd. 3. **Notice requirements.** (a) A club must accept a notice of cancellation or notice of termination that has been given:

(1) verbally, including but not limited to personally or over the telephone to customer or account service members;

(2) in writing, including but not limited to via mail, email, or an online message through the club's website directed to customer or account service members;

(3) through a termination election as described in section 325G.60; or

(4) in any other manner or medium by which the member initially accepted membership to the club and that is no more burdensome to the member than was the initial acceptance.

(b) The process to cancel must be stated clearly and be easily accessible and completed with ease.

Subd. 4. **No waiver.** A right of cancellation or right of termination under this section may not be waived or otherwise surrendered.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 54. Minnesota Statutes 2022, section 325G.25, subdivision 1, is amended to read:

Subdivision 1. **Form and content.** A copy of every contract shall be delivered to the member at the time the contract is signed. Every contract must be in writing, must be signed by the member, must designate the date on which the member signed the contract and must state, clearly and conspicuously in boldface type of a minimum size of 14 points, the following:

"MEMBERS' RIGHT TO CANCEL"

"If you wish to cancel this contract, you may cancel in-person, over the phone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The notice must ~~say that you do not wish to be bound by the contract and must be delivered or mailed~~ be provided to the club before midnight of the third business day after you sign this contract. ~~The notice must be delivered or mailed to: (Insert name and mailing address of club).~~ If you cancel, the club will return, within ten days of the date on which you give notice of cancellation, any payments you have made."

"MEMBERS' RIGHT TO UNILATERAL TERMINATION"

"You may unilaterally terminate this contract in your exclusive discretion at any time. If you terminate, your membership will terminate at the end of the membership term in which you provided the club with notice of termination. If your membership is at-will without a defined membership term, then your membership will terminate immediately, unless you indicate a future effective date of termination. If you wish to terminate this contract, you may terminate in-person, over the phone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The club may not impose a termination fee or any other liability on you for termination."

"NOTICE INFORMATION"

"If you wish to provide notice of cancellation or notice of termination to the club:

In-person or by mail, the applicable address is: [Insert name and mailing address of club];

Over the phone, the applicable phone number is: [Insert phone number of club];

Via email, the applicable email address is: [Insert email address of club];

On the club's website, the applicable website address is: [Insert address, if applicable]."

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 55. **[325G.56] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 325G.56 to 325G.62, the terms defined in this section have the meanings given them.

Subd. 2. **Automatic renewal.** "Automatic renewal" means a plan or arrangement in which a subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term.

Subd. 3. **Clear and conspicuous.** "Clear and conspicuous" means in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that calls attention to the language. In the case of an audio disclosure, "clear and conspicuous" means in a volume and cadence sufficient to be readily audible and understandable.

Subd. 4. **Consumer.** "Consumer" means any individual who seeks or acquires, by purchase or lease, any goods, services, money, or credit for personal, family, or household purposes. Consumer includes but is not limited to a member as defined in section 325G.23, unless the context clearly indicates otherwise.

Subd. 5. **Continuous service.** "Continuous service" means a plan or arrangement in which a subscription or purchasing agreement continues until the consumer terminates the agreement.

Subd. 6. **Indefinite subscription agreement.** "Indefinite subscription agreement" means a subscription or purchasing agreement:

(1) between a seller and a consumer in Minnesota; and

(2) subject to automatic renewal or continuous service.

Indefinite subscription agreements include but are not limited to contracts, as defined in section 325G.23, subject to automatic renewal or continuous service.

Subd. 7. **Offer terms.** "Offer terms" means the following disclosures:

(1) that the indefinite subscription agreement will continue until the consumer terminates the agreement;

(2) the description of the cancellation policy that applies to the indefinite subscription agreement;

(3) the recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the plan or arrangement and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known;

(4) the length of the automatic renewal term or that the service is continuous, unless the length of the term is definite and chosen by the consumer; and

(5) the minimum purchase obligation, if any.

Subd. 8. **Seller.** "Seller" means a seller, lessor, licensor, or professional who advertises, solicits, or engages in consumer transactions, or a manufacturer, distributor, or licensor who advertises and sells, leases, or licenses goods or services to be resold, leased, or sublicensed by other persons in consumer transactions. Seller includes but is not limited to a club as defined in section 325G.23, unless the context clearly indicates otherwise.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 56. **[325G.57] REQUIREMENTS FOR AUTOMATIC RENEWAL OR CONTINUOUS SERVICE.**

Subdivision 1. **Notices upon offer.** A seller making an offer for an indefinite subscription agreement must, before the consumer accepts the offer, present the offer terms in a clear and conspicuous manner to the consumer and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to the offer's proposal.

Subd. 2. **Confirmation upon consumer consent.** A seller making an offer for an indefinite subscription agreement must, in a timely manner after the consumer accepts the offer, provide the consumer with confirmation of the consumer's acceptance of the offer, in a manner that is capable of being retained by the consumer, that includes the following:

(1) the offer terms;

(2) if the offer includes a free trial, information on how to cancel the free trial before the consumer pays or becomes obligated to pay for any goods or services in connection with the free trial; and

(3) options for termination of the indefinite subscription agreement, which options must be easy to use, cost-effective, and timely for all consumers:

(i) if a seller makes offers for an indefinite subscription agreement through an online website, a termination election as set forth in section 325G.60; and

(ii) if a consumer enters into the indefinite subscription agreement through any means other than a toll-free telephone number, an email address, or a postal address, then an option substantially similar to, as easy to use, and as accessible as the initial means of consumer acceptance of the agreement.

A communication of the required information through email is sufficient to meet the requirements of this subdivision.

Subd. 3. **Material changes.** Upon a material change in the terms of the indefinite subscription agreement, the seller must provide to the consumer in a timely manner, and in any case prior to the implementation of the material change, a clear and conspicuous notice of the material change and provide information regarding how to terminate the agreement in a manner that is capable of being retained by the consumer. A material change in the terms of an indefinite subscription agreement in violation of this subdivision is void and unenforceable.

Subd. 4. **Free trials.** A seller making an offer for an indefinite subscription agreement that includes a free trial lasting more than 30 days must, no fewer than five days and no more than 30 days before the end of any such free trial, notify the consumer of the consumer's option to cancel the free trial before the end of the trial period to avoid an obligation to pay for the goods or services.

Subd. 5. **Periodic notice of continuous service.** (a) If an indefinite subscription agreement is subject to continuous service, the seller must give the consumer written notice of the continuous service at least once per calendar year via mail or email.

(b) The notice required under this subdivision must include the terms of the service and how to terminate or manage the service.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 57. **[325G.58] PROHIBITED CONDUCT.**

Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means an indefinite subscription agreement, as defined in section 325G.56, and a contract, as defined in section 325G.23.

Subd. 2. **Charges prior to effective date.** A seller must not charge the consumer's credit or debit card or the consumer's account with a third party in connection with an agreement before the agreement has been duly authorized by the seller and consumer and made effective.

Subd. 3. **Right of first refusal.** An agreement must not require the consumer to permit the seller to match any offer the consumer has received. A provision in an agreement that violates this subdivision is void and unenforceable.

Subd. 4. **No abusive tactics or offers upon notice.** (a) A seller that has received a notice of cancellation or notice of termination of an agreement from a consumer cannot:

(1) make any misrepresentation or undertake any unfair or abusive tactic to delay, unreasonably delay, or avoid the cancellation or termination of the agreement; or

(2) make or provide additional benefits, contract modifications, gifts, or similar offers to the consumer until the seller has obtained permission from the consumer, granted by the consumer after notice of cancellation or termination was given to the seller, for the seller to engage in any such activity.

(b) A seller can only seek a consumer's permission under this paragraph once per cancellation or termination attempt. A consumer's grant of permission under this paragraph is limited to the immediate cancellation or termination attempt and does not apply to subsequent attempts.

Subd. 5. **Exceptions.** This section does not prohibit a seller from:

(1) asking the consumer the reasons for cancellation or termination, provided that a consumer is not required to answer as a condition of cancellation or termination;

(2) informing the consumer of any consequences of canceling or terminating the subscription;

(3) verifying the identity of the consumer; or

(4) describing options to maintain an ongoing relationship with the seller, including but not limited to for downgrading, pausing, or suspending the subscription.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 58. **[325G.59] CONSUMER'S RIGHT TO TERMINATE.**

Subdivision 1. **Termination of agreement subject to automatic renewal.** A consumer may terminate an indefinite subscription agreement subject to automatic renewal at any time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision is effective at the end of the term in which notice of termination is provided by the consumer, unless the consumer specifies a termination date occurring at the end of a subsequent term, in which event the termination is effective as of the date specified by the consumer, if the option is available.

Subd. 2. **Termination of agreement subject to continuous service.** (a) A consumer may terminate an indefinite subscription agreement subject to continuous service at any time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision must take effect no later than 31 days from the date of a verified consumer's notice of termination unless the consumer specifies a future termination date, in which event the termination is effective as of such date.

(b) This subdivision does not require a seller to provide an option to set a future termination date.

Subd. 3. **Termination in absence of confirmation or notice.** If the seller fails to provide either the confirmation required under section 325G.57, subdivision 2, or a notice required by section 325G.57, subdivision 5, the consumer may terminate the indefinite subscription agreement by any reasonable means at any time, including but not limited to by mail, email, telephone, an online option, a termination election under section 325G.60, or the means by which the consumer entered into the agreement, at no cost to the consumer.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 59. **[325G.60] TERMINATION ELECTION REQUIREMENT.**

Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means an indefinite subscription agreement, as defined in section 325G.56, and a contract, as defined in section 325G.23.

Subd. 2. **Termination election required.** (a) If a seller has a website with profile or subscription management capabilities, then such website must include a termination election on the website. The termination election must be clear and conspicuous on the website and must use plain language to convey that any consumer may use the termination election to terminate the agreement at any time. The termination election must only require a consumer to input information that is necessary to process the termination. The termination election must include a checkbox, submission button, or similarly common and simple mechanism for the member to indicate a desire to terminate the agreement.

(b) For purposes of this section, "termination election" means a simple and easily accessible means for a consumer to quickly provide notice of termination, and that does not include undue complexity, confusion, or misrepresentation by the seller.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 60. **[325G.61] UNCONDITIONAL GIFTS.**

Any good, including but not limited to any ware, merchandise, or product, is an unconditional gift to the consumer if a seller sends the good under an indefinite subscription agreement without first obtaining the consumer's affirmative consent to the agreement in accordance with section 325G.57. The consumer may use or dispose of the good in any manner without any obligation to the seller, including but not limited to any obligation relating to shipping of the good.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 61. **[325G.62] EXEMPTION.**

Sections 325G.56 to 325G.61 do not apply to:

(1) contracts governed by another state or federal statute or regulation specifically intended to regulate automatic renewal or continuous service;

(2) any licensee as defined in section 60A.985, subdivision 8, and any affiliate of such a licensee as defined in section 60D.15, subdivision 2;

(3) an individual or business licensed by the Department of Labor and Industry as a technology system contractor or power limited technician as defined in section 326B.31;

(4) any service provided by a business or its affiliate where either the business or its affiliate is licensed or regulated by the Public Utilities Commission, the Federal Communications Commission, or the Federal Energy Regulatory Commission; or

(5) any person or entity registered or licensed with the Financial Industry Regulatory Authority, the Securities and Exchange Commission, or under the Minnesota Securities Act.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 62. **[325G.63] ENFORCEMENT.**

A seller is not subject to civil penalties if the seller has made a good faith effort to comply with each applicable provision of sections 325G.56 to 325G.61.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 63. **[325O.01] CITATION.**

This chapter may be cited as the "Prohibiting Social Media Manipulation Act."

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

Sec. 64. **[325O.02] DEFINITIONS.**

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

(b) "Accessible user interface" means a way for a user to input data, make a choice, or take an action on a social media platform in two clicks or fewer.

(c) "Account holder" means a natural person or legal person who holds an account or profile with a social media platform.

(d) "Account interactions" means any action that a user can make within a social media platform that could have a negative impact on another account holder. Account interactions include but are not limited to:

(1) sending messages or invitations to users;

(2) reporting users;

(3) commenting on, resharing, liking, voting, or otherwise reacting to users' user-generated content; and

(4) posting user-generated content or disseminating user-generated content to users. Actions that have no impact on other users, including viewing user-generated content or public content, are not account interactions.

(e) "Algorithmic ranking system" means a computational process, including one derived from algorithmic decision making, machine learning, statistical analysis, or other data processing or artificial intelligence techniques, used to determine the selection, order, relative prioritization, or relative prominence of content from a set of information that is provided to a user on a social media platform, including search results ranking, content recommendations, content display, or any other automated content selection method.

(f) "Conspicuously" means the information is presented in a manner, given the information's size, color, contrast, location, and proximity to any related information, as to be readily noticed and understood by a reasonable user.

(g) "Content" means any media, including but not limited to written posts, images, visual or audio recordings, notifications, and games, that a user views, reads, watches, listens to, or otherwise interacts or engages with on a social media platform. Content includes other account holders' accounts or profiles when recommended to a user by the social media platform.

(h) "Engage" or "engagement" means a user's utilization of the social media platform.

(i) "Expressed preferences" means a freely given, considered, specific, and unambiguous indication of a user's preferences regarding the user's engagement with a social media platform. Expressed preferences must not be based on the user's time spent engaging with content on the social media platform or on the use of features that do not indicate explicit preference, including comments made, posts reshared, or similar actions that may be taken on content the user perceives to be of low quality. Expressed preferences must not be obtained through a user interface designed or manipulated with the substantial effect of subverting or impairing a user's decision making.

(j) "Social media platform" means an electronic medium, including a browser-based or application-based interactive computer service, Internet website, telephone network, or data network, that allows an account holder to create, share, and view user-generated content for a substantial purpose of social interaction, sharing user-generated content, or personal networking. Social media platform does not include:

(1) an Internet search provider;

(2) an Internet service provider;

(3) an email service;

(4) a streaming service, online video game, e-commerce, or other Internet website where the content is not user generated but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon providing the content;

(5) a communication service, including text, audio, or video communication technology, provided by a business to the business's employees and clients for use in the course of business activities and not for public distribution, except that social media platform includes a communication service provided by a social media platform;

(6) an advertising network with the sole function of delivering commercial content;

(7) a telecommunications carrier, as defined in United States Code, title 47, section 153;

(8) a broadband service, as defined in section 116J.39, subdivision 1;

(9) single-purpose community groups for education or public safety;

(10) teleconferencing or video-conferencing services that allow reception and transmission of audio and video signals for real-time communication, except that social media platform includes teleconferencing or video-conferencing services provided by a social media platform;

(11) cloud computing services, which may include cloud storage and shared document collaboration;

(12) providing or obtaining technical support for a platform, product, or service; or

(13) a platform designed primarily and specifically for creative professional users, as distinct from the general public, to share their portfolio and creative content, engage in professional networking, acquire clients, and market the creative professional user's creative content and creative services through facilitated transactions.

(k) "Time sensitive" means content that is welcomed under a user's expressed preferences and that has significantly reduced value to the user with the passing of time.

(l) "User" means a natural person who is located in Minnesota and who holds an account or profile with a social media platform.

(m) "User-generated content" means any content created by an account holder that is uploaded, posted, shared, or disseminated on the social media platform.

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

Sec. 65. **[325O.03] SCOPE; EXCLUSIONS.**

(a) A social media platform is subject to this chapter if the social media platform:

(1) does business in Minnesota or provides products or services that are targeted to residents of Minnesota; and

(2) has more than 10,000 monthly active account holders located in Minnesota.

(b) For purposes of this chapter, a social media platform may determine whether an account holder is located in Minnesota based on:

(1) the account holder's own supplied address or location;

(2) global positioning system-level latitude, longitude, or altitude coordinates;

(3) cellular phone system coordinates;

(4) Internet protocol device address; or

(5) other mechanisms that can be used to identify an account holder's location.

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

Sec. 66. **[325O.04] TRANSPARENCY REQUIREMENTS FOR SOCIAL MEDIA PLATFORMS.**

A social media platform must publicly and conspicuously post the following information on the social media platform's website:

(1) an explanation of how the social media platform limits excessive account interactions, including:

(i) the maximum limit on the number of times that a user can engage in each specific kind of account interaction in an hour, day, week, and month; and

(ii) whether and how the platform engages in any reduction in the ability of accounts to affect other users when the user engages in a high number of account interactions that is below the maximum limit;

(2) an explanation detailing how the platform:

(i) assesses the quality of content;

(ii) assesses users' expressed preferences regarding content; and

(iii) utilizes the assessments under items (i) and (ii) in each of the social media platform's algorithmic ranking system, including how the assessments are weighted in relation to other signals in the algorithmic ranking system;

(3) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders for each distinct type of account interaction or engagement, including but not limited to:

(i) sending invitations or messages to other platform account holders;

(ii) commenting on, resharing, liking, voting for, or otherwise reacting to content;

(iii) posting new user-generated content;

(iv) disseminating user-generated content to other platform account holders; and

(v) time spent on the platform;

(4) an explanation of how the platform determines whether a notification is time sensitive and how many time-sensitive and non-time-sensitive notifications are sent to users including:

(i) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders in a given day; and

(ii) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders during each hour between the hours of 11:00 p.m. and 7:00 a.m.; and

(5) a description of all product experiments that have been conducted on 1,000 or more users, including a description of the experimental conditions and the results of the product experiment for all experimental conditions on users' viewing or engaging with content that:

(i) users indicate to be high or low quality;

(ii) users indicate complies or does not comply with the users' expressed preferences; or

(iii) violates platform policies.

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

Sec. 67. **[325O.05] ENFORCEMENT AUTHORITY.**

(a) The attorney general may investigate and bring an action against a social media platform for an alleged violation of section 325O.04.

(b) Nothing in this chapter creates a private cause of action in favor of a person injured by a violation of section 325O.04.

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

Sec. 68. **[332.3352] WAIVER OF LICENSING AND REGISTRATION.**

The commissioner of commerce may, by order, waive the licensing and registration requirements of this chapter for a nonresident collection agency and the nonresident collection agency's affiliated collectors if: (1) a written reciprocal licensing agreement is in effect between the commissioner and the licensing officials of the nonresident collection agency's home state; and (2) the nonresident collection agency is licensed in good standing in the nonresident collection agency's home state.

Sec. 69. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended to read:

Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's name that has been incurred as a result of:

(1) the use of the debtor's personal information without the debtor's knowledge, authorization, or consent;

(2) the use or threat of force, intimidation, undue influence, ~~harassment,~~ fraud, deception, coercion, or other similar means against the debtor; or

(3) economic abuse perpetrated against the debtor.

(b) Coerced debt does not include secured debt.

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

Sec. 70. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended to read:

Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse, ~~harassment~~ economic abuse, or sex or labor trafficking, and (2) owes coerced debt.

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

Sec. 71. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended to read:

Subd. 5. **Documentation.** "Documentation" means ~~a writing that identifies a debt or a portion of a debt as coerced debt, describes the circumstances under which the coerced debt was incurred, and takes the form of~~:

(1) a police report;

(2) a Federal Trade Commission identity theft report;

(3) an order in a dissolution proceeding under chapter 518 that declares that one or more debts are coerced; or

(4) a sworn written certification.

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

Sec. 72. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended to read:

Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic relationship that controls, restrains, restricts, impairs, or interferes with the ability of a ~~victim of domestic abuse, harassment, or sex or labor trafficking~~ debtor to acquire, use, or maintain economic resources, including but not limited to:

(1) withholding or restricting access to, or the acquisition of, money, assets, credit, or financial information;

(2) interfering with the victim's ability to work and earn wages; or

(3) exerting undue influence over a person's financial and economic behavior or decisions.

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

Sec. 73. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

332.72 COERCED DEBT PROHIBITED.

(a) A person is prohibited from causing another person to incur coerced debt.

(b) A person who causes another person to incur a coerced debt in violation of this section is civilly liable to the creditor for the amount of the debt, or portion of the debt, determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and costs, provided the creditor follows the procedures under section 332.74, subdivision 3, paragraph (b).

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

Sec. 74. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74, a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on which the creditor demands payment is coerced debt and request that the creditor cease all collection activity on the coerced debt. The notification and request must be in writing and include documentation. If not already included in documentation, the notification must include a signed statement that includes:

(1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or labor trafficking;

(2) a recitation of the facts supporting the claim that the debt is coerced; and

(3) if only a portion of the debt is claimed to be coerced debt, an itemization of the portion of the debt that is claimed to be coerced debt.

(b) The creditor, within 30 days of the date the notification and request is received, must notify the debtor in writing of the creditor's decision to either immediately cease all collection activity or continue to pursue collection. If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.

~~(b) If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.~~

(c) A debtor must not proceed with an action under section 332.74 until the 30-day period provided under paragraph (a) has expired.

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

Sec. 75. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended to read:

Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced debt, the debtor is entitled to one or more of the following:

(1) a declaratory judgment that the debt or portion of a debt is coerced debt;

(2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced debt; and

(3) an order dismissing any cause of action brought by the creditor to enforce or collect the coerced debt from the debtor or, if only a portion of the debt is established as coerced debt, an order directing that the judgment, if any, in the action be amended to reflect only the portion of the debt that is not coerced debt.

(b) If the court orders relief for the debtor under paragraph (a), the court, after the creditor's motion has been personally served on the person who violated section 332.72, or if personal service cannot be made, after service by United States mail to the last known address of the person ~~who violated section 332.72~~ and one-week published notice under section 645.11, ~~shall~~ must issue a judgment in favor of the creditor against the person in the amount of the debt or a portion thereof.

(c) This subdivision applies regardless of the judicial district in which the creditor's action or the debtor's petition was filed.

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

Sec. 76. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended to read:

Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced debt has been ~~criminally~~ convicted~~, entered a guilty plea, or entered an Alford plea under~~ of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or 609.527.

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

Sec. 77. **[332C.01] DEFINITIONS.**

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

Subd. 2. **Collecting party.** "Collecting party" means a party engaged in collecting medical debt. Collecting party does not include parties when complying with a court order or statutory obligation to garnish or levy a debtor's property, including banks, credit unions, public officers, and garnishees.

Subd. 3. **Debtor.** "Debtor" means a person obligated or alleged to be obligated to pay any debt.

Subd. 4. **Medical debt.** (a) "Medical debt" means debt incurred primarily for medically necessary health treatment or services. Medical debt includes debt charged to a credit card or other credit instrument, on or after October 1, 2024, under an open-end or closed-end credit plan offered specifically to pay for health treatment or services.

(b) Medical debt does not include:

(1) debt charged to a credit card or other credit instrument, under an open-end or closed-end credit plan, that is not offered specifically to pay for health treatment or services;

(2) services provided by a veterinarian;

(3) services provided by a dentist; or

(4) debt charged to a home equity line of credit.

Subd. 5. **Medically necessary.** "Medically necessary" has the meaning given in section 62J.805, subdivision 7.

Subd. 6. **Person.** "Person" means any individual, partnership, association, or corporation.

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

Sec. 78. **[332C.02] PROHIBITED PRACTICES.**

A collecting party must not:

(1) in a collection letter, publication, invoice, or any oral or written communication, threaten wage garnishment or legal suit by a particular lawyer, unless the collecting party has actually retained the lawyer to do so;

(2) use or employ sheriffs or any other officer authorized to serve legal papers in connection with collecting a claim, except when performing the sheriff's or other officer's legally authorized duties;

(3) use or threaten to use methods of collection that violate Minnesota law;

(4) furnish legal advice to debtors or represent that the collecting party is competent or able to furnish legal advice to debtors;

(5) communicate with debtors in a misleading or deceptive manner by falsely using the stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare, or instruments which simulate the form and appearance of judicial process;

(6) publish or cause to be published any list of debtors, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment of the claim, or use similar devices or methods of intimidation;

(7) operate under a name or in a manner which falsely implies the collecting party is a branch of or associated with any department of federal, state, county, or local government or an agency thereof;

(8) transact business or hold the collecting party out as a debt settlement company, debt management company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or liquidation is done pursuant to court order or under the supervision of a creditor's committee;

(9) unless an exemption in the law exists, violate Code of Federal Regulations, title 12, part 1006, while attempting to collect on any account, bill, or other indebtedness. For purposes of this section, Public Law 95-109 and Code of Federal Regulations, title 12, part 1006, apply to collecting parties other than health care providers collecting medical debt in the health care provider's own name;

(10) communicate with a debtor about medical debt by use of an automatic telephone dialing system or an artificial or prerecorded voice after the debtor expressly informs the collecting party to cease communication utilizing an automatic telephone dialing system or an artificial or prerecorded voice. For purposes of this clause, an automatic telephone dialing system or an artificial or prerecorded voice includes but is not limited to (i) artificial intelligence chat bots, and (ii) the usage of the term under the Telephone Consumer Protection Act, United States Code, title 47, section 227(b)(1)(A);

(11) in collection letters or publications, or in any oral or written communication, imply or suggest that medically necessary health treatment or services are denied as a result of a medical debt;

(12) when a debtor has a listed telephone number, enlist the aid of a neighbor or third party to request that the debtor contact the collecting party, except a person who resides with the debtor or a third party with whom the debtor has authorized with the collecting party to place the request. This clause does not apply to a call-back message left at the debtor's place of employment which is limited solely to the collecting party's telephone number and name;

(13) when attempting to collect a medical debt, fail to provide the debtor with the full name of the collecting party, as registered with the secretary of state;

(14) fail to return any amount of overpayment from a debtor to the debtor or to the state of Minnesota pursuant to the requirements of chapter 345;

(15) accept currency or coin as payment for a medical debt without issuing an original receipt to the debtor and maintaining a duplicate receipt in the debtor's payment records;

(16) except for court costs for filing a civil action with the court and service of process, attempt to collect any interest, fee, charge, or expense incidental to the charge-off obligation from a debtor unless the amount is expressly authorized by the agreement creating the medical debt or is otherwise permitted by law;

(17) falsify any documents with the intent to deceive;

(18) when initially contacting a Minnesota debtor by mail to collect a medical debt, fail to include a disclosure on the contact notice, in a type size or font which is equal to or larger than the largest other type of type size or font used in the text of the notice, that includes and identifies the Office of the Minnesota Attorney General's general telephone number, and states: "You have the right to hire your own attorney to represent you in this matter.";

(19) commence legal action to collect a medical debt outside the limitations period set forth in section 541.053;

(20) report to a credit reporting agency any medical debt that the collecting party knows or should know is or was originally owed to a health care provider, as defined in section 62J.805, subdivision 4; or

(21) challenge a debtor's claim of exemption to garnishment or levy in a manner that is baseless, frivolous, or otherwise in bad faith.

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

Sec. 79. **[332C.03] MEDICAL DEBT REPORTING PROHIBITED.**

(a) A collecting party is prohibited from reporting medical debt to a consumer reporting agency.

(b) A consumer reporting agency is prohibited from making a consumer report containing an item of information that the consumer reporting agency knows or should know concerns medical debt.

(c) For purposes of this section, "consumer report" and "consumer reporting agency" have the meanings given in the Fair Credit Reporting Act, United States Code, title 15, section 1681a.

(d) This section also applies to collection agencies and debt buyers licensed under chapter 332.

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

Sec. 80. **[332C.04] DEFENDING MEDICAL DEBT CASES.**

(a) A debtor who successfully defends against a claim for payment of medical debt that is alleged by a collecting party must be awarded the debtor's costs and a reasonable attorney fee, as determined by the court, incurred to defend against the collecting party's claim for debt payment.

(b) For purposes of this section, a resolution mutually agreed upon by the debtor and collecting party is not a successful defense subject to an additional award of an attorney fee.

EFFECTIVE DATE. This section is effective October 1, 2024, for causes of action commenced on or after that date.

Sec. 81. **[332C.05] ENFORCEMENT.**

(a) The attorney general may enforce this chapter under section 8.31.

(b) A collecting party that violates this chapter is strictly liable to the debtor in question for the sum of:

(1) actual damage sustained by the debtor as a result of the violation;

(2) additional damages as the court may allow, but not exceeding $1,000 per violation; and

(3) in the case of any successful action to enforce the foregoing, the costs of the action, together with a reasonable attorney fee as determined by the court.

(c) A collecting party that willfully and maliciously violates this chapter is strictly liable to the debtor for three times the sums allowable under paragraph (b), clauses (1) and (2).

(d) The dollar amount limit under paragraph (b), clause (2), changes on July 1 of each even-numbered year in an amount equal to changes made in the Consumer Price Index, compiled by the United States Bureau of Labor Statistics. The Consumer Price Index for December 2024 is the reference base index. If the Consumer Price Index is revised, the percentage of change made under this section must be calculated on the basis of the revised Consumer Price Index. If a Consumer Price Index revision changes the reference base index, a revised reference base index must be determined by multiplying the reference base index that is effective at the time by the rebasing factor furnished by the Bureau of Labor Statistics.

(e) If the Consumer Price Index is superseded, the Consumer Price Index referred to in this section is the Consumer Price Index represented by the Bureau of Labor Statistics as most accurately reflecting changes in the prices paid by consumers for consumer goods and services.

(f) The attorney general must publish the base reference index under paragraph (d) in the State Register no later than September 1, 2024. The attorney general must calculate and publish the revised Consumer Price Index under paragraph (d) in the State Register no later than September 1 each even-numbered year.

(g) A collecting party must not be held liable in any action brought under this section if the collecting party shows by a preponderance of evidence that the violation:

(1) was not intentional and resulted from a bona fide error made notwithstanding the maintenance of procedures reasonably adopted to avoid any bona fide error; or

(2) was the result of inaccurate or incorrect information provided to the collecting party by a health care provider as defined in section 62J.805, subdivision 4; a health carrier as defined in section 62A.011, subdivision 2; or another collecting party currently or previously engaged in collection of the medical debt in question.

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

Sec. 82. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS; UNFAIR SERVICE AGREEMENTS.**

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1.

(c) "Person" means natural persons, corporations both foreign and domestic, trusts, partnerships both limited and general, incorporated or unincorporated associations, companies, business entities, and any other legal entity or any other group associated in fact although not a legal entity or any agent, assignee, heir, employee, representative, or servant thereof.

(d) "Record" or "recording" means placement of a document or instrument in the official county public land records.

(e) "Residential real property" means real property that is located in Minnesota occupied, or intended to be occupied, by one to four families as their residence.

(f) "Service agreement" means a contract under which a person agrees to provide real estate broker services as defined in section 82.55, subdivision 19, in connection with the purchase or sale of residential real property.

(g) "Service provider" means an individual or entity that provides services to a person pursuant to a service agreement.

Subd. 2. **Unfair service agreements; prohibition.** (a) A service agreement subject to this section is unfair and prohibited if any part of the agreement provides an exclusive right to a service provider for a term in excess of one year after the time the service agreement is entered into and:

(1) purports to run with the land or to be binding on future owners of interests in the real property;

(2) allows for assignment of the right to provide service without notice to and consent of the residential real property's owner, including a contract for deed vendee;

(3) is recorded or purports to create a lien, encumbrance, or other real property security interest; or

(4) contains a provision that purports to automatically renew the agreement upon its expiration.

(b) The following are not unfair service agreements under this section:

(1) a home warranty or similar product that covers the cost of maintaining a major home system or appliance for a fixed period;

(2) an insurance contract;

(3) a mortgage loan or a commitment to make or receive a mortgage loan;

(4) an option or right of refusal to purchase a residential real property;

(5) a declaration of any covenants, conditions, or restrictions created in the formation of a homeowners association, a group of condominium owners, or other common interest community or an amendment to the covenants, conditions, or restrictions;

(6) a maintenance or service agreement entered by a homeowners association in a common interest community;

(7) a security agreement governed by chapter 336 that relates to the sale or rental of personal property or fixtures; or

(8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service provider.

(c) This section does not impair any lien right granted under Minnesota law or that is judicially imposed.

Subd. 3. **Recording prohibited.** (a) A person is prohibited from:

(1) presenting or sending an unfair service agreement or notice or memorandum of an unfair service agreement to any county recorder to record; or

(2) causing an unfair service agreement or notice or memorandum of an unfair service agreement to be recorded by a county recorder.

(b) If a county recorder records an unfair service agreement, the county recorder does not incur liability.

(c) If an unfair service agreement is recorded, the recording does not create a lien or provide constructive notice to any third party, bona fide purchaser, or creditor.

Subd. 4. **Unfair service agreements unenforceable.** A service agreement that is unfair under this section is unenforceable and does not create a contractual obligation or relationship. Any waiver of a consumer right, including a right to trial by jury, in an unfair service agreement is void.

Subd. 5. **Unfair service agreements; solicitation.** Encouraging any consumer to enter into an unfair service agreement by any service provider constitutes:

(1) an unfair method of competition; and

(2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph (c), and section 325F.69.

Subd. 6. **Enforcement authority.** (a) This section may be enforced by the attorney general under section 8.31, except that any private cause of action brought under subdivision 7 is subject to the limitation under subdivision 7, paragraph (d).

(b) The commissioner of commerce may enforce this section with respect to a service provider's real estate license.

Subd. 7. **Remedies.** (a) A consumer that is party to an unfair service agreement related to residential real property or a person with an interest in the property that is the subject of that agreement may bring an action under section 8.31 or 325F.70 in district court in the county where the property is located.

(b) If an unfair service agreement or a notice or memorandum of an unfair service agreement is recorded against any residential real property, any judgment obtained under this section, after being certified by the clerk having custody of the unfair service agreement or notice or memorandum of the unfair service agreement, may be recorded and indexed against the real property encumbered or clouded by the unfair service agreement.

(c) The remedies provided under this section are not exclusive and do not reduce any other rights or remedies a party may have in equity or in law.

(d) No private action may be brought under this section more than six years after the date the term printed in the unfair service agreement expires.

Sec. 83. Minnesota Statutes 2022, section 519.05, is amended to read:

519.05 LIABILITY OF ~~HUSBAND AND WIFE~~ SPOUSES.

(a) A spouse is not liable to a creditor for any debts of the other spouse. ~~Where husband and wife are living together, they shall be jointly and severally liable for necessary medical services that have been furnished to either spouse, including any claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and necessary household articles and supplies furnished to and used by the family.~~ Notwithstanding this paragraph, in a proceeding under chapter 518 the court may apportion such debt between the spouses.

(b) Either spouse may close a credit card account or other unsecured consumer line of credit on which both spouses are contractually liable, by giving written notice to the creditor.

(c) Nothing in this section prevents a creditor's claim against a decedent's estate.

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

Sec. 84. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

Subd. 2. ~~**Bible and musical instrument**~~ **Sacred possessions.** The ~~family~~ Bible, ~~library, and musical instruments~~ Torah, Qur'an, prayer rug, and other religious items in an aggregate amount not exceeding $2,000.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 85. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2a. **Library.** A personal library in an aggregate amount not exceeding $750.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 86. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2b. **Musical instruments.** Musical instruments in an aggregate amount not exceeding $2,000.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 87. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2c. **Family pets.** Family pets in an aggregate amount not exceeding $1,000.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 88. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs of the debtor and the debtor's family.

(b) Household furniture, household appliances, ~~phonographs, radio and television receivers~~ radios, computers, tablets, televisions, printers, cell phones, smart phones, and other consumer electronics of the debtor and the debtor's family, not exceeding $11,250 in value.

(c) The debtor's aggregate interest, not exceeding $3,062.50 in value, in ~~wedding rings or other religious or culturally recognized symbols of marriage exchanged between the debtor and spouse at the time of the marriage and in the debtor's possession~~ jewelry.

The exemption provided by this subdivision may not be waived except with regard to purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase money security interest in the property exempt under this subdivision is void.

If a debtor has property of the type which would qualify for the exemption under clause (b), of a value in excess of $11,250 an itemized list of the exempt property, together with the value of each item listed, shall be attached to the security agreement at the time a security interest is taken, and a creditor may take a nonpurchase money security interest in the excess over $11,250 by requiring the debtor to select the exemption in writing at the time the loan is made.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 89. Minnesota Statutes 2022, section 550.37, subdivision 12a, is amended to read:

Subd. 12a. **Motor vehicles.** One of the following: (1) one motor vehicle, to the extent of a value not exceeding ~~$5,000~~ $10,000; ~~or~~ (2) one motor vehicle that is regularly used by or for the benefit of a physically disabled person, as defined under section 169.345, subdivision 2, to the extent of a value not exceeding $25,000; (3) one motor vehicle, to the extent of a value not exceeding ~~$50,000~~ $100,000, that has been designed or modified~~, at a cost of not less than $3,750,~~ to accommodate the ~~physical~~ disability making a disabled person eligible for a certificate authorized by section 169.345; or (4) one motor vehicle reasonably necessary for use in the trade, business, or profession of the debtor, to the extent of a value not to exceed $12,500.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 90. Minnesota Statutes 2022, section 550.37, subdivision 14, is amended to read:

Subd. 14. **Public assistance.** All government assistance based on need, and the earnings or salary of a person who is a recipient of government assistance based on need, shall be exempt from all claims of creditors including any contractual setoff or security interest asserted by a financial institution. For the purposes of this chapter, government assistance based on need includes but is not limited to Minnesota family investment program~~,~~; Supplemental Security Income~~,~~; medical assistance~~,~~; MinnesotaCare, payment of Medicare part B premiums or receipt of part D extra help~~,~~; MFIP diversionary work program~~,~~; work participation cash benefit~~,~~; Minnesota supplemental assistance~~,~~; emergency Minnesota supplemental assistance~~,~~; general assistance~~,~~; emergency general assistance~~,~~; emergency assistance or county crisis funds~~,~~; energy or fuel assistance~~, and~~; Supplemental Nutrition Assistance Program (SNAP); and any federal or state tax credit received by eligible low-income taxpayers, including but not limited to the earned income tax credit, the Minnesota working family credit, and renter's credit. The salary or earnings of any debtor who is or has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution shall, upon the debtor's return to private employment or farming after having been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after the debtor's return to employment or farming and after all public assistance for which eligibility existed has been terminated. The exemption provisions contained in this subdivision also apply for 60 days after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing government assistance and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, within the preceding six months.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 91. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

Subd. 22. **Rights of action.** Rights of action or money received for injuries to the person of the debtor or of a relative whether or not resulting in death. Injuries to the person include physical, mental, and emotional injuries.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 92. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to exceed in value $10,000 in any accrued ~~dividend~~ dividends or interest under or loan value of any unmatured life insurance ~~contract~~ contracts owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 93. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to exceed $3,000, in household tools and equipment, including but not limited to hand and power tools, snow removal equipment, and lawnmowers.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 94. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 28. **Wild card exemption in bankruptcy.** In a bankruptcy, a debtor may exempt any property, including funds in a bank account, up to $1,500 in value.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to exemptions claimed on or after that date.

Sec. 95. Minnesota Statutes 2022, section 550.39, is amended to read:

550.39 EXEMPTION OF INSURANCE POLICIES.

The net amount payable to any insured or to any beneficiary under any policy of accident or disability insurance or under accident or disability clauses attached to any policy of life insurance shall be exempt and free and clear from the claims of all creditors of such insured or such beneficiary and from all legal and judicial processes of execution, attachment, garnishment, or otherwise, up to a total amount of $1,000,000 per claim and subsequent award.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 96. Minnesota Statutes 2022, section 571.72, subdivision 6, is amended to read:

Subd. 6. **Bad faith claim.** If, in a proceeding brought under subdivision 9, section 571.91, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed $100. If the claim of exemption is upheld, and the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed $100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid an appropriate judgment in favor of the attorney shall be entered.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 97. Minnesota Statutes 2022, section 571.72, subdivision 9, is amended to read:

Subd. 9. **Motion to determine objections.** (a) This subdivision applies to all garnishment proceedings governed by this chapter. An objection regarding a garnishment must be interposed as provided in section 571.914, subdivision 1, in the form provided under section 571.914, subdivision 2.

(b) Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested.

(c) Upon receipt of a claim of exemption by the debtor, the creditor must, within six business days of the receipt of the exemption claim, either return any of the debtor's funds released by the garnishee and held by the creditor or interpose an objection. An objection must be interposed by:

(1) in the district court that issued the judgment, filing the Notice of Objection and requesting a hearing; and

(2) mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the garnishee and one copy of the Notice of Objection and Notice of Hearing to the debtor.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 98. Minnesota Statutes 2022, section 571.914, subdivision 1, is amended to read:

Subdivision 1. **Objections and request for hearing.** ~~An objection shall be interposed, within six business days of receipt by the creditor of an exemption claim from the debtor, by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the financial institution and one copy of the Notice of Objection and Notice of Hearing to the debtor.~~

(a) The Notice of Objection and Notice of Hearing form must be substantially in the form set out in subdivision 2.

(b) The court administrator may charge a fee of $1 for the filing of a Notice of Objection and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the court administrator shall schedule the matter for hearing no sooner than five business days but no later than seven business days from the date of filing. A debtor may request continuance of the hearing by notifying the creditor and the court. The court shall schedule the continued hearing within seven days of the original hearing date.

(c) An order stating whether the debtor's funds are exempt shall be issued by the court within three days of the date of the hearing.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 99. Minnesota Statutes 2022, section 571.92, is amended to read:

571.92 GARNISHMENT OF EARNINGS.

Sections 571.921 to 571.926 relate to the garnishment of earnings. The exemptions available under section 550.37 apply to the garnishment of earnings if the debtor is a resident of Minnesota and the debtor's place of employment is in Minnesota, regardless of where the employer is domiciled. For the purposes of this section, "place of employment" means the location where an employee earns wages.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 100. Minnesota Statutes 2022, section 571.921, is amended to read:

571.921 DEFINITIONS.

For purposes of sections 571.921 to ~~571.926~~ 571.927, the following terms have the meanings given them:

(a) "Earnings" means:

(1) compensation paid or payable to an employee, independent contractor, or self-employed person for personal service whether denominated as wages, salary, commissions, bonus, payments, profit-sharing distribution, severance payment, fees, or otherwise, and includes periodic payments pursuant to a pension or retirement program;

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2; or

(3) maintenance as defined in section 518.003, subdivision 3a.

(b) "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld.

(c) "Employee" means an individual ~~who performs services subject to the right of the employer to control both what is done and how it is done.~~, whether currently or formerly employed, who is owed earnings and who is treated by an employer as an employee for federal employment tax purposes.

(d) "Employer" means a person ~~for whom an individual performs services as an employee~~ who owes or will owe earnings to an employee or independent contractor.

(e) "Independent contractor" means an individual who (1) receives or is owed earnings from an employer through periodic payments, and (2) is not treated by the employer as an employee for federal employment tax purposes.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 101. Minnesota Statutes 2022, section 571.922, is amended to read:

571.922 LIMITATION ON WAGE GARNISHMENT.

(a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 80 times the greater of the hourly wage described in paragraph (b); ~~or~~

(2) 15 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 60 times, but is less than or equal to 80 times, the greater of the hourly wages described in paragraph (b); or

(3) ten percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 40 times, but is less than or equal to 60 times, the greater of the hourly wages described in paragraph (b).

(b) The amount by which the debtor's disposable earnings exceed the greater of:

(i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (b), clause (1), item (iii); or

(ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The calculation of the amount that is subject to garnishment must be based on the hourly wage in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

~~(b)~~ (c) If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received).

Wage garnishments on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

~~(c)~~ (d) No court may make, execute, or enforce an order or any process in violation of this section.

EFFECTIVE DATE. This section is effective April 1, 2025, and applies to causes of action commenced on or after that date.

Sec. 102. Minnesota Statutes 2022, section 571.927, is amended to read:

571.927 PENALTY FOR RETALIATION FOR GARNISHMENT.

Subdivision 1. **Prohibition.** An employer shall not discharge or otherwise discipline an employee or independent contractor as a result of an earnings garnishment authorized by this chapter.

Subd. 2. **Remedy.** If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee or employer-independent contractor relationship existed before the violation of this section, the employee or independent contractor shall recover twice the ~~wages~~ earnings lost as a result of this violation.

Subd. 3. **Nonwaiver.** The rights guaranteed by this section may not be waived or altered by ~~employment~~ contract.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 103. **GARNISHMENT FORMS REVISION.**

(a) The attorney general must review and make recommendations to revise into plain language, and ensure comportment with the law, the notices and forms found in Minnesota Statutes, sections 571.72, subdivisions 8 and 10; 571.74; 571.75, subdivision 2; 571.912; and 571.925.

(b) The attorney general must review and determine whether the forms contained in Minnesota Statutes, sections 571.711; 571.914, subdivision 2; 571.931, subdivision 6; and 571.932, subdivision 2, should be revised (1) into a more easily readable and understandable format, and (2) to ensure comportment with law. If the attorney general determines the forms should be revised, the attorney general must make recommendations for legislative revisions to the forms.

(c) The recommendations made under paragraphs (a) and (b) must include proposals to (1) explain in simple terms the meaning of garnishment in any form that uses the term garnishment, and (2) prominently place on forms the name, telephone number, and email address of the creditor.

(d) When developing the recommendations, the attorney general must consult with the Center for Plain Language and other plain language experts the attorney general may identify, and must obtain approval from affected business and consumer groups, including but not limited to:

(1) the Minnesota Creditors' Rights Association;

(2) the Great Lakes Credit and Collections Association;

(3) the Minnesota Bankers' Association;

(4) the Minnesota Credit Union Network;

(5) BankIn Minnesota;

(6) Mid-Minnesota Legal Aid;

(7) the Minnesota chapter of the National Association of Consumer Advocates;

(8) the Minnesota chapter of the National Association of Consumer Bankruptcy Attorneys;

(9) Lutheran Social Services; and

(10) Family Means.

(e) For the purposes of this section, "plain language" means communication in which the wording, structure, and design are so clear that the intended reader can easily: (1) find what the reader needs; (2) understand what the reader needs; and (3) use what the reader finds to meet the reader's needs.

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

Sec. 104. **REPEALER.**

(a) Minnesota Statutes 2022, sections 45.014; 82B.25; 239.791, subdivision 3; and 325G.25, subdivision 1a, are repealed.

(b) Minnesota Statutes 2023 Supplement, sections 53B.58; and 332.71, subdivision 8, are repealed.

(c) Minnesota Statutes 2022, section 82B.25, is repealed.

EFFECTIVE DATE. Paragraph (c) is effective January 1, 2026.

ARTICLE 4
TELECOMMUNICATIONS POLICY

Section 1. Minnesota Statutes 2022, section 237.121, is amended to read:

237.121 PROHIBITED PRACTICES.

(a) A telephone company or telecommunications carrier may not do any of the following with respect to services regulated by the commission:

(1) upon request, fail to disclose in a timely and uniform manner information necessary for the design of equipment and services that will meet the specifications for interconnection;

(2) intentionally impair the speed, quality, or efficiency of services, products, or facilities offered to a consumer under a tariff, contract, or price list;

(3) fail to provide a service, product, or facility to a consumer other than a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(4) refuse to provide a service, product, or facility to a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(5) impose unreasonable or discriminatory restrictions on the resale of its services, provided that:

(i) it may require that residential service may not be resold as a different class of service; and

(ii) the commission may prohibit resale of services it has approved for provision for not-for-profit entities at rates less than those offered to the general public; ~~or~~

(6) provide telephone service to a person acting as a telephone company or telecommunications carrier if the commission has ordered the telephone company or telecommunications carrier to discontinue service to that person~~.~~; or

(7) upon cancellation of telecommunications service, refuse to provide a prorated refund of payment made in advance by a customer.

(b) A telephone company or telecommunications carrier may not violate a provision of sections 325F.692 and 325F.693, with regard to any of the services provided by the company or carrier.

Sec. 2. Minnesota Statutes 2022, section 237.19, is amended to read:

237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.

(a) Any municipality shall have the right to own and operate a telephone exchange within its own borders, subject to the provisions of this chapter. It may construct such plant, or purchase an existing plant by agreement with the owner, or where it cannot agree with the owner on price, it may acquire an existing plant by condemnation~~, as hereinafter provided, but in no case shall a municipality construct or purchase such a plant or proceed to acquire an existing plant by condemnation until such action by it is authorized by a majority of the electors voting upon the proposition at a general election or a special election called for that purpose, and if the proposal is to construct a new exchange where an exchange already exists, it shall not be authorized to do so unless 65 percent of those voting thereon vote in favor of the undertaking~~.

(b) A municipality that owns and operates a telephone exchange may enter into a joint venture as a partner or shareholder with a telecommunications organization to provide telecommunications services within its service area.

(c) A municipality may acquire an existing plant through condemnation only if:

(1) a provider of telephone service ceases to offer telephone service and no other provider offering telephone service is available; and

(2) absent a condemnation process under this section, public safety would be negatively impacted or 911 service would become unreliable, as determined by the commission.

(d) A municipality is prohibited from using the municipality's condemnation authority under this section to intervene in the transfer or sale of a telecommunications service provider's assets.

(e) A condemnation process undertaken under this section must apply to all customers within the existing telephone exchange.

Sec. 3. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

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

(b) "Broadband Internet access service" means:

(1) a mass-market retail service by wire or radio that provides the capability, including any capability that is incidental to and enables the operation of the communications service, to transmit data to and receive data from all or substantially all Internet endpoints;

(2) any service that provides a functional equivalent of the service described in clause (1); or

(3) any service that is used to evade the protections established under this section.

Broadband Internet access service includes a service that serves end users at fixed endpoints using stationary equipment or end users using mobile stations, but does not include dial-up Internet access service.

(c) "Edge provider" means any person or entity that provides:

(1) any content, application, or service over the Internet; or

(2) a device used to access any content, application, or service over the Internet.

Edge provider does not include a person or entity providing obscene material, as defined in section 617.241.

(d) "Impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service, or use of a nonharmful device" means impairing or degrading any of the following:

(1) particular content, applications, or services;

(2) particular classes of content, applications, or services;

(3) lawful Internet traffic to particular nonharmful devices; or

(4) lawful Internet traffic to particular classes of nonharmful devices.

Impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service, or use of a nonharmful device includes, without limitation, differentiating positively or negatively between any of the following:

(i) particular content, applications, or services;

(ii) particular classes of content, applications, or services;

(iii) lawful Internet traffic to particular nonharmful devices; or

(iv) lawful Internet traffic to particular classes of nonharmful devices.

(e) "Internet service provider" means a business that provides broadband Internet access service to a customer in Minnesota.

(f) "Paid prioritization" means the management of an Internet service provider's network to directly or indirectly favor some traffic over other traffic:

(1) in exchange for monetary or other consideration from a third party; or

(2) to benefit an affiliated entity.

(g) "Reasonable network management" means a network management practice that has a primarily technical network-management justification, but does not include other business practices, which is reasonable if the practice is primarily used for and tailored to achieving a legitimate network-management purpose, taking into account the particular network architecture and technology of the broadband Internet access service.

(h) "Zero-rating" means exempting some Internet traffic from a customer's data usage allowance.

Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging in any of the following activities with respect to any of the Internet service provider's Minnesota customers:

(1) subject to reasonable network management, blocking lawful content, applications, services, or nonharmful devices;

(2) subject to reasonable network management, impairing, impeding, or degrading lawful Internet traffic on the basis of (i) Internet content, application, or service, or (ii) use of a nonharmful device;

(3) engaging in paid prioritization;

(4) unreasonably interfering with or unreasonably disadvantaging:

(i) a customer's ability to select, access, and use broadband Internet service or lawful Internet content, applications, services, or devices of the customer's choice; or

(ii) an edge provider's ability to provide lawful Internet content, applications, services, or devices to a customer.

Reasonable network management is not a violation of this clause;

(5) engaging in deceptive or misleading marketing practices that misrepresent the treatment of Internet traffic or content;

(6) engaging in zero-rating in exchange for consideration, monetary or otherwise, from a third party; or

(7) zero-rating some Internet content, applications, services, or devices in a category of Internet content, applications, services, or devices, but not the entire category.

Subd. 3. **Exceptions.** This section does not apply to software or applications sponsored by the federal government, a state government, or a federally recognized Tribal government when the Internet service provider allows an advantage to customers for free or improved access, or data for access to government services and programs.

Subd. 4. **Other laws.** This section does not: (1) supersede any obligation or authorization an Internet service provider may have to address the needs of emergency communications or law enforcement, public safety, or national security authorities, consistent with or as permitted by applicable law; or (2) limit the provider's ability to meet, address, or comply with the needs identified in clause (1).

Subd. 5. **Enforcement.** A violation of subdivision 2 may be enforced by the commissioner of commerce under section 45.027. The venue for enforcement proceedings is Ramsey County.

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

Sec. 4. Minnesota Statutes 2022, section 429.021, subdivision 1, is amended to read:

Subdivision 1. **Improvements authorized.** The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend, and maintain steam heating mains.

(4) To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care, and removal.

(8) To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.

(12) To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.

(14) To construct, reconstruct, extend, and maintain district heating systems.

(15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.

(16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.

(17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution facilities owned by a municipal gas or electric utility.

(18) To purchase, install, and maintain signs, posts, and other markers for addressing related to the operation of enhanced 911 telephone service.

(19) To improve, construct, extend, and maintain facilities for Internet access and other communications purposes, ~~if the council finds that:~~ provided that the municipality must:

~~(i) the facilities are necessary to make available Internet access or other communications services that are not and will not be available through other providers or the private market in the reasonably foreseeable future; and~~

~~(ii) the service to be provided by the facilities will not compete with service provided by private entities.~~

(i) not discriminate in favor of the municipality's own communications facilities by granting the municipality more favorable or less burdensome terms and conditions than a nonmunicipal service provider with respect to: (A) access and use of public rights-of-way; (B) access and use of municipally owned or controlled conduit, towers, and utility poles; and (C) permitting fees charged to access municipally owned and managed facilities;

(ii) maintain separation between the municipality's role as a regulator over firms that offer services in competition with the services offered by the municipality over the municipality's communications service facilities, and the municipality's role as a competitive provider of services over the municipality's communications service facilities; and

(iii) not share inside information between employees or contractors responsible for executing the municipality's role as a regulator over firms that offer communications services in competition with the communication services offered by the municipality, and employees or contractors responsible for executing the municipality's role as a competitive communications services provider.

(20) To assess affected property owners for all or a portion of the costs agreed to with an electric utility, telecommunications carrier, or cable system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards, or those set by law, tariff, or franchise, but only upon petition under section 429.031, subdivision 3.

(21) To assess affected property owners for repayment of voluntary energy improvement financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.

(22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy improvement projects in existing buildings, provided that:

(i) a petition for the improvement is made by a property owner under section 429.031, subdivision 3;

(ii) the municipality funds and administers the energy improvement project;

(iii) project funds are only used for the installation of improvements to heating, ventilation, and air conditioning equipment and building envelope and for the installation of renewable energy systems;

(iv) each property owner petitioning for the improvement receives notice that free or low-cost energy improvements may be available under federal, state, or utility programs;

(v) for energy improvement projects on residential property, only residential property having five or more units may obtain financing for projects under this clause; and

(vi) prior to financing an energy improvement project or imposing an assessment for a project, written notice is provided to the mortgage lender of any mortgage encumbering or otherwise secured by the property proposed to be improved.

ARTICLE 5
LIQUOR

Section 1. Minnesota Statutes 2022, section 340A.101, subdivision 13, is amended to read:

Subd. 13. **Hotel.** "Hotel" is an establishment where food and lodging are regularly furnished to transients and which has:

(1) a dining room serving the general public at tables and having facilities for seating at least 30 guests at one time; ~~and~~ or

(2) guest rooms in the following minimum numbers: in first class cities, 50; in second class cities, ~~25~~ 15; in all other cities and unincorporated areas, 10.

Sec. 2. Minnesota Statutes 2022, section 340A.404, subdivision 1, is amended to read:

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

(1) hotels;

(2) restaurants;

(3) bowling centers;

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

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

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

(7) exclusive liquor stores; and

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

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

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

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

(e) A municipality may issue an on-sale malt liquor license to a resort as defined in section 157.15, subdivision 11, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons staying at the resort and their guests.

Sec. 3. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning

or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

(m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Swedish Institute or to its concessionaire or operator for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(n) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions or catering contract with the Minneapolis Institute of Arts for use on the premises of the Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on all days of the week.

(o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway House or to its concessionaire or operator for use on the premises owned by Norway House at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating to seating requirements, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions or catering contract with the Minneapolis Park and Recreation Board for use on ~~the~~ Minneapolis Park and Recreation Board premises ~~of the Downtown Commons Park, the Minneapolis Sculpture Garden, or at Boom Island Park~~. The licenses authorized by this subdivision may be used for space specified within the park property, provided all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on the dates on the approved license application.

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

Sec. 4. Minnesota Statutes 2022, section 340A.404, subdivision 6, is amended to read:

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

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

(c) A county board may issue an annual on-sale malt liquor license to a resort as defined in section 157.15, subdivision 11, within the area of the county that is unorganized or unincorporated, notwithstanding any law or local ordinance. A license issued under this paragraph authorizes sales on all days of the week to persons staying at the resort and their guests.

Sec. 5. Laws 2022, chapter 86, article 2, section 3, is amended to read:

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

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

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

Sec. 6. Laws 2022, chapter 86, article 2, section 5, is amended to read:

Sec. 5. ~~**CITY OF ANOKA; SPECIAL LICENSE**~~ **SOCIAL DISTRICT LICENSE; CITIES OF ANOKA, SHAKOPEE, AND STILLWATER.**

Subdivision 1. **Social district; consumption allowed.** The ~~city of Anoka~~ cities of Anoka, Shakopee, and Stillwater may issue a social district license to any holder of an on-sale license whose on-sale premises is contiguous with the premises of the social district designated in subdivision 2. The license authorizes consumption, but not sales or service, of alcoholic beverages sold by the on-sale licensee within the social district.

Subd. 2. **Designation of social district.** (a) Prior to issuing the license in subdivision 1, the city ~~of Anoka~~ must designate and describe the premises of the social district. The district may not include any area under the ownership or control of a person that objects to the extension of the social district to that area.

(b) The designation must include the specific premises where consumption of alcoholic beverages is allowed and also include the proposed hours and days in which consumption of alcoholic beverages is allowed in the social district. The city ~~of Anoka~~ must adopt the designation by ordinance prior to issuing the license in subdivision 1.

Subd. 3. **Boundaries clearly defined.** The social district must be clearly defined with signs posted in a conspicuous location indicating the area included in the social district and the days and hours during which alcoholic beverages may be consumed in the district. In addition, signs must include:

(1) the local law enforcement agency with jurisdiction over the area comprising the social district; and

(2) a clear statement that an alcoholic beverage purchased for consumption in the social district shall:

(i) only be consumed in the social district; and

(ii) be disposed of before the person in possession of the alcoholic beverage exits the social district unless the person is reentering the licensed premises where the alcoholic beverage was purchased.

Subd. 4. **Management and maintenance.** The city ~~of Anoka~~ must establish management and maintenance plans for the social district and post these plans, along with a rendering of the boundaries of the social district and days and hours during which alcoholic beverages may be consumed in the district, on the website for the city ~~of Anoka~~. The social district must be maintained in a manner that protects the health and safety of the general public.

Subd. 5. **Requirements for on-sale licensees.** An on-sale licensee holding a social district license may only sell and serve alcoholic beverages on the premises specified in the licensee's on-sale license. The licensee must not allow a person to enter or reenter its on-sale licensed premises with an alcoholic beverage not sold by the on-sale licensee. Sales for consumption in the social district must meet the following container requirements:

(1) the container clearly identifies the on-sale licensee from which the alcoholic beverage was purchased;

(2) the container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed;

(3) the container is not comprised of glass;

(4) the container displays, in no less than 12-point font, the statement, "Drink Responsibly - Be 21."; and

(5) the container shall not hold more than 16 fluid ounces.

Subd. 6. **Additional social district requirements.** The possession and consumption of an alcoholic beverage in a social district is subject to all of the following requirements:

(1) only alcoholic beverages purchased from an on sale-licensee holding a social district license located in or contiguous to the social district may be possessed and consumed in the district;

(2) alcoholic beverages shall only be in containers meeting the requirements set forth in subdivision 5;

(3) alcoholic beverages shall only be possessed and consumed during the days and hours set by the city ~~of Anoka~~ as specified in subdivision 2; and

(4) a person shall dispose of any alcoholic beverage in the person's possession prior to exiting the social district unless the person is reentering the on-sale licensed premises where the alcoholic beverage was purchased.

Subd. 7. **Report required.** Within 24 months from the first issuance of a social district license, the city of Anoka must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over liquor regulation. The report must include a discussion of the following subjects:

(1) the process used by the city in designating the social district;

(2) the community response to the social district, with a concentration on residents living and businesses operating within a one-mile radius of the district;

(3) the response to the social district from both on-sale licensees holding a social district license and not holding a social district license;

(4) the problems or challenges encountered in establishing and overseeing the social district and social district licenses;

(5) any public safety concerns that arose due to the operation of the social district;

(6) the benefits and drawbacks to the city of continuing the social district; and

(7) recommendations for modifications to the social district special law established in this section.

EFFECTIVE DATE. This section is effective after August 31, 2025, for each of the cities of Shakopee and Stillwater upon approval by each city council and compliance with Minnesota Statutes, section 645.021.

Sec. 7. **SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds, provided that the board of Independent School District No. 465, Litchfield, adopts a resolution approving the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply to the school grounds or buildings for a license issued under this section.

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

Sec. 8. **SPECIAL LIQUOR LAW; CITY OF WATKINS.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Watkins may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds, provided the board of Independent School District No. 463, Eden Valley-Watkins, adopts a resolution approving the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply to the school grounds or buildings for a license issued under this section.

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

Sec. 9. **SPORTS AND EVENT CENTER LICENSE; EAGAN.**

Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses to the owner of a multiuse sports and event center located on property in the city of Eagan, legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter due to subdivision or replatting, or to any facility operator, concessionaire, catering operator, or other third-party food and beverage vendor for the center under contract with the owner. A license issued under this section may be issued for a space that is not compact and contiguous, provided that the licensed premises shall only be the space described in the approved license. A license issued under this section authorizes sales on all days of the week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section.

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

ARTICLE 6
MEDICAL SUPPLEMENT IMPLEMENTATION DELAY

Section 1. Laws 2023, chapter 57, article 2, section 7, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 2. Laws 2023, chapter 57, article 2, section 8, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 3. Laws 2023, chapter 57, article 2, section 9, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 4. Laws 2023, chapter 57, article 2, section 10, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 5. Laws 2023, chapter 57, article 2, section 11, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 6. Laws 2023, chapter 57, article 2, section 12, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 7. Laws 2023, chapter 57, article 2, section 13, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 8. Laws 2023, chapter 57, article 2, section 14, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 9. Laws 2023, chapter 57, article 2, section 15, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; adding, modifying, or eliminating various provisions governing insurance, financial institutions, commercial regulations and consumer protection, and telecommunications; modifying and authorizing certain on-sale liquor licenses; delaying medical supplement implementation; making technical changes; establishing penalties; authorizing administrative rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision; 58B.03, by adding subdivisions; 58B.06, subdivisions 4, 5; 58B.07, subdivisions 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by adding a subdivision; 65A.29, by adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 72A.20, subdivision 13; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.095, subdivision 3; 82B.19, subdivision 1; 115C.08, subdivision 2; 176.175, subdivision 2; 237.121; 237.19; 239.791, by adding a subdivision; 270C.63, subdivision 8; 270C.65, subdivision 1; 270C.67, subdivisions 1a, 11; 270C.69, subdivision 1; 325E.66, subdivision 1; 325F.03; 325F.04; 325F.05; 325F.56, subdivision 2; 325F.62, subdivision 3; 325G.24; 325G.25, subdivision 1; 340A.101,

subdivision 13; 340A.404, subdivisions 1, 2, 6; 429.021, subdivision 1; 471.6161, subdivision 8; 471.617, subdivision 2; 519.05; 550.37, subdivisions 2, 4, 12a, 14, 22, 23, by adding subdivisions; 550.39; 571.72, subdivisions 6, 9; 571.914, subdivision 1; 571.92; 571.921; 571.922; 571.927; Minnesota Statutes 2023 Supplement, sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 61A.031; 62Q.522, subdivision 1; 62Q.523, subdivision 1; 80A.50; 144.587, subdivision 4; 239.791, subdivision 8; 325E.21, subdivisions 1b, 11; 325E.80, subdivisions 1, 5, 6, 7; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, sections 3; 5; Laws 2023, chapter 57, article 2, sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 60A; 61A; 62J; 62Q; 65A; 325F; 325G; 332; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; 325O; 332C; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 239.791, subdivision 3; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 62Q.522, subdivisions 3, 4; 332.71, subdivision 8."

We request the adoption of this report and repassage of the bill.

Senate Conferees: MATT KLEIN, JUDY SEEBERGER and NICK FRENTZ.

House Conferees: ZACK STEPHENSON, CARLIE KOTYZA-WITTHUHN, LARRY KRAFT and ETHAN CHA.

Stephenson moved that the report of the Conference Committee on S. F. No. 4097 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Stephenson motion and the roll was called. There were 70 yeas and 58 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Altendorf	Baker	Davis	Franson	Heintzeman	Joy
Anderson, P. E.	Bennett	Demuth	Garofalo	Hudson	Kiel
Anderson, P. H.	Bliss	Dotseth	Gillman	Igo	Knudsen
Backer	Burkel	Engen	Grossell	Jacob	Koznick
Bakeberg	Davids	Fogelman	Harder	Johnson	Lawrence

McDonald	Nadeau	Novotny	Quam	Skraba	Wiens
Mekeland	Nash	Olson, B.	Rarick	Swedzinski	Witte
Mueller	Nelson, N.	Perryman	Robbins	Torkelson	Zeleznikar
Murphy	Neu Brindley	Petersburg	Schomacker	Urdahl	
Myers	Niska	Pfarr	Scott	Wiener	

The motion prevailed.

S. F. No. 4097, A bill for an act relating to commerce; adding and modifying various provisions related to insurance; regulating financial institutions; modifying provisions governing financial institutions; providing for certain consumer protections and privacy; modifying provisions governing commerce; making technical changes; establishing civil and criminal penalties; authorizing administrative rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision; 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24; 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2; 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement, sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2, sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 65A; 325F; 325G; 332; 507; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8.

The 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 70 yeas and 58 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

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.

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. 5216, A bill for an act relating to state government; providing law for judiciary, public safety, and corrections; establishing a state board of civil legal aid; modifying safe at home program certification and restorative practices restitution program; establishing working group for motor vehicle registration compliance; establishing task forces on holistic and effective responses to illicit drug use and domestic violence and firearm surrender; establishing a public safety telecommunicator training and standards board; authorizing rulemaking; requiring reports; modifying certain prior appropriations; appropriating money for judiciary, public safety, and corrections; amending Minnesota Statutes 2022, sections 5B.02; 5B.03, subdivision 3; 5B.04; 5B.05; 13.045, subdivision 3; 260B.198, subdivision 1; 260B.225, subdivision 9; 260B.235, subdivision 4; 299A.73, subdivision 4; 403.02, subdivision 17c; 480.24, subdivisions 2, 4; 480.242, subdivisions 2, 3; 480.243, subdivision 1; Minnesota Statutes 2023 Supplement, sections 244.50, subdivision 4; 299A.49, subdivisions 8, 9; 299A.95, subdivision 5; 403.11, subdivision 1; 609A.06, subdivision 2; 638.09, subdivision 5; Laws 2023, chapter 52, article 1, section 2, subdivision 3; article 2, sections 3, subdivision 5; 6, subdivisions 1, 4; article 8, section 20, subdivision 3; Laws 2023, chapter 63, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapters 169; 299A; 403; 480; repealing Minnesota Statutes 2022, section 480.242, subdivision 1.

The Senate has appointed as such committee:

Senators Latz, Oumou Verbeten, Seeberger, Westlin, and Limmer.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Speaker pro tempore Moller called Her to the Chair.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 2609 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. 2609 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 299A.642, subdivision 15, is amended to read:

Subd. 15. **Required reports.** (a) By February 1 of each year, the commissioner of public safety shall submit the following reports to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding:

(1) a report containing a summary of all audits conducted on multijurisdictional entities under subdivision 4;

(2) a report on the results of audits conducted on data submitted to the criminal gang investigative data system under section 299C.091;

(3) a report on the activities and goals of the coordinating council; and

(4) a report on how funds appropriated for violent crime reduction strategies were used.

(b) The report submitted under paragraph (a), clause (4), must include the following information regarding actions taken by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams receiving funding under this section:

(1) the number of firearms seized;

(2) the number of gun trafficking investigations conducted; and

(3) a summary of the types of investigations conducted.

Sec. 2. Minnesota Statutes 2023 Supplement, section 609.67, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Machine gun" means any firearm designed to discharge, or capable of discharging automatically more than once by a single function of the trigger.

(b) "Shotgun" means a weapon designed, redesigned, made or remade which is intended to be fired from the shoulder and uses the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single pull of the trigger.

(c) "Short-barreled shotgun" means a shotgun having one or more barrels less than 18 inches in length and any weapon made from a shotgun if such weapon as modified has an overall length less than 26 inches.

(d) "Trigger activator" means:

(1) a removable manual or power driven trigger activating device constructed and designed so that, when attached to a firearm, the rate at which the trigger may be pulled increases and the rate of fire of the firearm increases to that of a machine gun; ~~or~~

(2) a device that allows a semiautomatic firearm to shoot more than one shot with a single pull of the trigger or by harnessing the recoil of energy of the semiautomatic firearm to which it is affixed so that the trigger resets and continues firing without additional physical manipulation of the trigger~~.~~; or

(3) a device that allows a firearm to shoot one shot on the pull of the trigger and a second shot on the release of the trigger without requiring a subsequent pull of the trigger.

(e) "Machine gun conversion kit" means any part or combination of parts designed and intended for use in converting a weapon into a machine gun, and any combination of parts from which a machine gun can be assembled, but does not include a spare or replacement part for a machine gun that is possessed lawfully under section 609.67, subdivision 3.

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

Sec. 3. Minnesota Statutes 2022, section 624.7141, is amended to read:

624.7141 TRANSFER TO INELIGIBLE PERSON.

Subdivision 1. **Transfer prohibited.** (a) A person is guilty of a ~~gross misdemeanor who~~ felony and may be sentenced to imprisonment for up to two years and to payment of a fine of not more than $10,000 if the person intentionally transfers a ~~pistol or semiautomatic military-style assault weapon~~ firearm to another ~~if~~ and the person knows or reasonably should know that the transferee:

(1) has been denied a permit to carry under section 624.714 because the transferee is not eligible under section 624.713 to possess a pistol or semiautomatic military-style assault weapon or any other firearm;

(2) has been found ineligible to possess a pistol or semiautomatic military-style assault weapon by a chief of police or sheriff as a result of an application for a transferee permit or a transfer report; or

(3) is disqualified under section 624.713 from possessing a pistol or semiautomatic military-style assault weapon or any other firearm.

(b) Paragraph (a) does not apply to the transfer of a firearm other than a pistol or semiautomatic military-style assault weapon to a person under the age of 18 who is not disqualified from possessing any other firearm.

Subd. 2. **~~Felony~~ Aggravated offense.** A ~~violation of this section is a felony~~ person who violates this section may be sentenced to imprisonment for up to five years and to payment of a fine of not more than $20,000 if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence.

Subd. 3. **Subsequent eligibility.** This section is not applicable to a transfer to a person who became eligible to possess a pistol or semiautomatic military-style assault weapon under section 624.713 after the transfer occurred but before the transferee used or possessed the weapon in furtherance of any crime.

Subd. 4. **Affirmative defense.** (a) As used in this subdivision, "family or household member" has the meaning given in section 518B.01, subdivision 2, paragraph (b).

(b) If proven by clear and convincing evidence, it is an affirmative defense to a violation of this section that the defendant was a family or household member of the transferee and committed the violation only under compulsion by the transferee who, by explicit or implicit threats or other acts, created a reasonable apprehension in the mind of the defendant that the refusal of the defendant to participate in the violation would result in the transferee inflicting substantial bodily harm or death on the defendant or a family or household member of the defendant.

(c) The fact finder may consider any evidence of past acts that would constitute domestic abuse, domestic or nondomestic assault, criminal sexual conduct, sexual extortion, sex trafficking, labor trafficking, harassment or stalking, or any other crime that is a crime of violence as defined in section 624.712, subdivision 5, or threats to commit any of these crimes by the transferee toward the defendant or another when determining if the defendant has proven the affirmative defense. Past prosecution is not required for the fact finder to consider evidence of these acts. Nothing in this paragraph limits the ability of the fact finder to consider other relevant evidence when determining if the defendant has proven the affirmative defense.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to crimes committed on or after that date."

We request the adoption of this report and repassage of the bill.

House Conferees: KAELA BERG and KELLY MOLLER.

Senate Conferees: HEATHER GUSTAFSON, KARI DZIEDZIC and TOU XIONG.

Berg moved that the report of the Conference Committee on H. F. No. 2609 be adopted and that the bill be repassed as amended by the Conference Committee.

Novotny moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 2609 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Novotny motion and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the Berg motion that the report of the Conference Committee on H. F. No. 2609 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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 69 yeas and 60 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON H. F. No. 4024

A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including student sexual misconduct, student aid, student supports, and institutional registration and contract provisions; modifying allowable uses for appropriations; requiring reports; amending Minnesota Statutes 2022, sections 135A.15, subdivisions 1a, 2, 6, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; Laws 2023, chapter 41, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7.

May 16, 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. 4024 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 4024 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
HIGHER EDUCATION APPROPRIATIONS

Section 1. Laws 2022, chapter 42, section 2, is amended to read:

Sec. 2. **APPROPRIATION; ALS RESEARCH.**

(a) ~~$20,000,000~~ $396,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of the Office of Higher Education to award competitive grants to applicants for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with the Minnesota Department of Health to administer the grant program, including identifying clinical and translational research and innovations, developing outcomes and objectives with the goal of bettering the lives of individuals with ALS and finding a cure for the disease, and application review and grant recipient selection. Not more than ~~$400,000~~ $396,000 may be used by the commissioner to administer the grant program. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until June 30, 2026.

(b) $19,604,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of the Office of Higher Education to award competitive grants to applicants for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with the Minnesota Department of Health to administer the grant program, including identifying clinical and translational research and innovations, developing outcomes and objectives with the goal of bettering the lives of individuals with ALS and finding a cure for the disease, and application review and grant recipient selection. Up to $15,000,000 may be used by the commissioner for grants to the Amyotrophic Lateral Sclerosis Association, Never Surrender, or other similar organizations to award and administer competitive grants to applicants for research into ALS under this section. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner, the Amyotrophic Lateral Sclerosis Association, Never Surrender, and other similar organizations may use up to a total of five percent of this appropriation for administrative costs.

~~(b)~~ (c) Grants shall be awarded to support clinical and translational research related to ALS. Research topics may include but are not limited to environmental factors, disease mechanisms, disease models, biomarkers, drug development, clinical studies, precision medicine, medical devices, assistive technology, and cognitive studies.

~~(c)~~ (d) Eligible applicants for the grants are research facilities, universities, and health systems located in Minnesota. Applicants must submit proposals to the commissioner in the time, form, and manner established by the commissioner. Applicants may coordinate research endeavors and submit a joint application. When reviewing the proposals, the commissioner shall make an effort to avoid approving a grant for an applicant whose research is duplicative of an existing grantee's research.

~~(d)~~ (e) Beginning January 15, 2023, and annually thereafter until January 15, ~~2027~~ 2030, the commissioner shall submit a report to the legislature specifying the applicants receiving grants under this section, the amount of each grant, the purposes for which the grant funds were used, and the amount of the appropriation that is unexpended. The report must also include relevant findings, results, and outcomes of the grant program, and any other information which the commissioner deems significant or useful.

~~(e) This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until June 30, 2026.~~

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

Sec. 2. Laws 2023, chapter 41, article 1, section 2, subdivision 35, is amended to read:

Subd. 35. **Hunger-Free Campus Grants**	1,500,000	1,000,000

For the Hunger-Free Campus program under Minnesota Statutes, section 135A.137. Of this amount, up to $500,000 the first year is for grants not to exceed $25,000 to institutions for equipment necessary to operate an on-campus food pantry, and is available until June 30, 2026. The commissioner shall establish an application and process for distributing the grant funds. ~~This appropriation is available until June 30, 2026.~~

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

Sec. 3. Laws 2023, chapter 41, article 1, section 2, subdivision 36, is amended to read:

Subd. 36. **Fostering Independence Higher Education Grants**	4,247,000	~~4,416,000~~ 9,456,000

$4,247,000 the first year and ~~$4,416,000~~ $9,456,000 the second year are for grants to eligible students under Minnesota Statutes, section 136A.1241. The Office of Higher Education may use no more than three percent of the appropriation to administer grants. The base for this appropriation is $4,416,000 for fiscal year 2026 and thereafter.

Sec. 4. Laws 2023, chapter 41, article 1, section 2, subdivision 49, as amended by Laws 2024, chapter 85, section 111, is amended to read:

Subd. 49. **North Star Promise**	-0-	~~117,226,000~~ 112,186,000

~~$117,226,000~~ $112,186,000 the second year is transferred from the general fund to the account in the special revenue fund under Minnesota Statutes, section 136A.1465, subdivision 8. The base for the transfer is $49,500,000 in fiscal year 2026 and thereafter.

Sec. 5. Laws 2023, chapter 41, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Operations and Maintenance**	686,558,000	676,294,000

(a) $15,000,000 in fiscal year 2024 and $15,000,000 in fiscal year 2025 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) $7,800,000 in fiscal year 2024 and $7,800,000 in fiscal year 2025 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) $4,000,000 in fiscal year 2024 and $4,000,000 in fiscal year 2025 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) $500,000 in fiscal year 2024 and $500,000 in fiscal year 2025 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025 are for systemwide safety and security measures on University of Minnesota campuses. The base amount for this appropriation is $1,000,000 in fiscal year 2026 and later.

(f) $366,000 in fiscal year 2024 and $366,000 in fiscal year 2025 are for unemployment insurance aid under Minnesota Statutes, section 268.193.

(g) $10,000,000 the first year is for programs at the University of Minnesota Medical School ~~Campus on the~~ CentraCare Health System Campus in St. Cloud. This appropriation may be used for tuition support, ~~a residency program, a rural health research program, a program to target scholarships to students from diverse backgrounds, and a scholarship program targeted at students who will practice in rural areas~~ including a scholarship program targeted at students who will practice in rural areas and targeted at students from diverse backgrounds; costs associated with opening and operating a new regional campus; costs associated with the expansion of a residency program; and costs associated with starting and operating a rural health research program. This

appropriation is available until June 30, 2027, and must be spent ~~on~~ for activities on or associated with the CentraCare Health System Campus in the greater St. Cloud area. This is a onetime appropriation.

(h) $374,000 the first year and $110,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products for purposes of article 2, section 2.

(i) The total operations and maintenance base for fiscal year 2026 and later is $672,294,000.

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

Sec. 6. **APPROPRIATION; KIDS ON CAMPUS INITIATIVE.**

$500,000 in fiscal year 2025 is appropriated from the general fund to the Board of Trustees of the Minnesota State Colleges and Universities to participate in the Kids on Campus initiative with the National Head Start Association and the Association of Community College Trustees. This appropriation may be used for a temporary statewide project coordinator, stipends to campuses and Head Start centers where letters of intent to officially form a partnership have been signed, engaging with local Head Start programs, and other costs associated with creating campus Head Start partnerships. Stipends shall be used to support the formation of parenting student advisory panels to gather perspective and feedback on proposed partnerships. The duties of the temporary statewide project coordinator include assessing the feasibility of partnerships between Minnesota State Colleges and Universities campuses and Head Start programs across the state, consulting with the Minnesota Head Start Association and existing Head Start partnership programs to develop best practices, working with campus-based navigators for parenting students to provide resources for financial aid and basic needs support to Head Start programs, and developing strategies to grow the early childhood care and education workforce through partnerships between Head Start programs and early childhood degree and certificate programs. This is a onetime appropriation and is available until June 30, 2026.

ARTICLE 2
POLICY PROVISIONS

Section 1. **[135A.062] CONSIDERATION OF CRIMINAL RECORDS LIMITED.**

Subdivision 1. **Applicability.** This section applies to postsecondary institutions under section 136A.155, clause (1), except that the Board of Regents of the University of Minnesota is requested to comply with this section.

Subd. 2. **Definition.** As used in this section, "a violent felony or sexual assault" includes a felony-level violation or attempted violation of section 609.185; 609.19; 609.195; 609.20; 609.221; 609.2242, subdivision 4; 609.2247; 609.245, subdivision 1; 609.247, subdivision 2; 609.282; 609.322; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3458; 609.561, subdivision 1 or 2; 609.582, subdivision 1; 609.66, subdivision 1e; or 609.749; or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of these sections.

Subd. 3. **Consideration of criminal records limited.** A postsecondary institution may not inquire into, consider, or require disclosure of the criminal record or criminal history of an applicant for admission. After a postsecondary institution has made an offer of admission, the postsecondary institution may inquire into, consider, or require disclosure of a conviction or delinquency adjudication that occurred within the previous five years for a violent felony or sexual assault. The postsecondary institution must provide the applicant with an opportunity to submit an explanatory statement, letters of recommendation, evidence of rehabilitation, and any other supporting

documents. The institution must provide clear and detailed instructions and guidance to applicants related to what criminal history requires disclosure. The institution must not require the applicant to provide official records of criminal history. A postsecondary institution that rescinds an offer of admission must:

(1) provide an explanation of the basis for the decision to rescind the offer of admission; and

(2) provide the applicant with an opportunity to appeal the decision to rescind.

Subd. 4. **Other information.** This section shall not prohibit or limit a postsecondary institution from inquiring about student conduct records at the applicant's prior postsecondary institution after making an offer of admission. This section shall not prohibit or limit a postsecondary institution from inquiring about a student's ability to meet licensure requirements in a professional program after making an offer of admission.

Subd. 5. **Limitation on admissibility.** (a) A postsecondary institution that complies with this section is immune from liability in a civil action arising out of the institution's decision to admit a student with a criminal history or the institution's failure to conduct a criminal background check.

(b) Nothing in this section creates or establishes a legal duty upon a postsecondary institution to inquire into or require disclosure of the criminal history or criminal convictions of a student or an applicant for admission.

Sec. 2. Minnesota Statutes 2023 Supplement, section 135A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

(1) be enrolled in an undergraduate certificate, diploma, or degree program at the University of Minnesota or a Minnesota state college or university;

(2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled member or citizen of a federally recognized American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident tuition status; ~~and~~

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for ~~180 credits~~ 12 semesters or the equivalent, excluding courses taken that qualify as developmental education or below college-level~~.~~; and

(4) meet satisfactory academic progress as defined under section 136A.101, subdivision 10.

Sec. 3. **[135A.144] TRANSCRIPT ACCESS.**

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be due or owed, from a student. Debt does not include the fee, if any, charged to all students for the actual costs of providing the transcripts.

(c) "School" means a public institution governed by the Board of Trustees of the Minnesota State Colleges and Universities, private postsecondary educational institution as defined under section 136A.62 or 136A.821, or public or private entity that is responsible for providing transcripts to current or former students of an educational institution. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(d) "Transcript" means the statement of an individual's academic record, including official transcripts or the certified statement of an individual's academic record provided by a school, and unofficial transcripts or the uncertified statement of an individual's academic record provided by a school.

Subd. 2. **Prohibited practices.** (a) A school must not refuse to provide a transcript for a current or former student because the student owes a debt to the school if:

(1) the debt owed is less than $1,000;

(2) the student has entered into and, as determined by the institution, is in compliance with a payment plan with the school;

(3) the transcript request is made by a prospective employer for the student;

(4) the school has sent the debt for repayment to the Department of Revenue or to a collection agency, as defined in section 332.31, subdivision 3, external to the institution and the debt has not been returned to the institution unpaid; or

(5) the person is incarcerated at a Minnesota correctional facility.

(b) A school must not charge an additional or higher fee for obtaining a transcript or provide less favorable treatment of a transcript request because a student owes a debt to the originating school.

Subd. 3. **Institutional policy.** (a) A school that uses transcript issuance as a tool for debt collection must have a policy accessible to students that outlines how the school collects on debts owed to the school.

(b) A school shall seek to use transcript issuance as a tool for debt collection for the fewest number of cases possible and in a manner that allows for the quickest possible resolution of the debt benefitting the student's educational progress.

Sec. 4. Minnesota Statutes 2022, section 135A.15, as amended by Laws 2023, chapter 52, article 5, section 79, is amended to read:

135A.15 CAMPUS SEXUAL ~~HARASSMENT AND VIOLENCE~~ MISCONDUCT POLICY.

Subdivision 1. **Applicability; policy required.** (a) This section applies to the following postsecondary institutions:

(1) institutions governed by the Board of Trustees of the Minnesota State Colleges and Universities; and

(2) private postsecondary institutions that offer in-person courses on a campus located in Minnesota and which are eligible institutions as defined in section 136A.103, ~~provided that a private postsecondary institution with a systemwide enrollment of fewer than 100 students in the previous academic year is exempt from subdivisions 4 to 10~~ paragraph (a), that are participating in the federal program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(b) A postsecondary institution must adopt a clear, understandable written policy on sexual ~~harassment and sexual violence~~ misconduct that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the Crime Victims Reimbursement Board and the commissioner of public safety. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents against a student or employee of a postsecondary institution occurring on property owned or leased by the postsecondary system or institution or at any activity, program, organization, or event sponsored by the system or institution, or by a fraternity ~~and~~ or sorority, or any activity, program, organization, or event sponsored by the system or institution, or by a fraternity or sorority, regardless of whether the activity, program, organization, or event occurs on or off property owned or leased by the postsecondary system or institution. It must include procedures for reporting incidents of sexual ~~harassment or sexual violence~~ misconduct and for disciplinary actions against violators. During student registration, a postsecondary institution shall provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times.

Subd. 1a. ~~**Sexual assault definition**~~ **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Advisor" means a person who is selected by a responding or reporting party to serve as a support during a campus investigation and disciplinary process. This person may be an attorney. An advisor serves as a support to a party by offering comfort or attending meetings.

(c) "Domestic violence" has the meaning giving in section 518B.01, subdivision 2.

~~(b)~~ (d) "Incident" means one report of sexual ~~assault~~ misconduct to a postsecondary institution, regardless of the number of complainants included in the report, the number of respondents included in the report, and whether or not the identity of any party is known by the reporting postsecondary institution. Incident encompasses all nonconsensual events included within one report if multiple events have been identified.

(e) "Intimate partner violence" means any physical or sexual harm or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior against an individual, that may be classified as a sexual misconduct, dating violence, or domestic violence caused by:

(1) a current or former spouse of the individual; or

(2) a person in a sexual or romantic relationship with the individual.

(f) "Nonconsensual dissemination of sexual images" has the meaning given in section 617.261.

(g) "Reporting party" means the party in a disciplinary proceeding who has reported being subjected to conduct or communication that could constitute sexual misconduct.

(h) "Responding party" means the party in a disciplinary proceeding who has been reported to be the perpetrator of conduct or communication that could constitute sexual misconduct.

~~(c)~~ (i) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart D, appendix A, as amended.

(j) "Sexual extortion" has the meaning given in section 609.3458.

(k) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

(l) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.

(m) "Sexual misconduct" means an incident of sexual violence, intimate partner violence, domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate parts or sexual acts, sex trafficking, or stalking.

(n) "Stalking" has the meaning given in section 609.749.

Subd. 2. **Victims' rights.** (a) The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:

(1) filing criminal charges with local law enforcement officials in ~~sexual assault~~ cases defined as sexual misconduct that may constitute criminal behavior;

(2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and disciplinary authorities of a sexual ~~assault~~ misconduct incident;

(3) allowing sexual ~~assault~~ misconduct victims to decide whether to report a case to law enforcement or not report altogether; participate in a campus investigation, disciplinary proceeding, or nondisciplinary informal resolution; or not participate altogether;

(4) requiring campus authorities to treat sexual ~~assault~~ misconduct victims with dignity;

(5) requiring campus authorities to offer sexual ~~assault~~ misconduct victims fair and respectful health care, counseling services, or referrals to such services;

(6) preventing campus authorities from suggesting to a victim of sexual ~~assault~~ misconduct that the victim is at fault for the crimes or violations that occurred;

(7) preventing campus authorities from suggesting to a victim of sexual ~~assault~~ misconduct that the victim should have acted in a different manner to avoid such a crime;

(8) subject to ~~subdivision~~ subdivisions 2a and 10, protecting the privacy of sexual ~~assault~~ misconduct victims by only disclosing data collected under this section to the victim, persons whose work assignments reasonably require access, and, at a sexual ~~assault~~ misconduct victim's request, police conducting a criminal investigation;

(9) an investigation and resolution of a sexual ~~assault~~ misconduct complaint by campus disciplinary authorities;

(10) a sexual ~~assault~~ misconduct victim's participation in and the presence of the victim's ~~attorney or other support person who is not a fact witness to the sexual assault~~ advisor at any meeting with campus officials concerning the victim's sexual ~~assault~~ misconduct complaint or campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint;

(11) ensuring that a sexual ~~assault~~ misconduct victim may decide when to repeat a description of the incident of sexual ~~assault~~ misconduct;

(12) notice to a sexual ~~assault~~ misconduct victim of the availability of a campus or local program providing ~~sexual assault~~ victim advocacy services and information on free legal resources and services;

(13) notice to a sexual ~~assault~~ misconduct victim of the outcome of any campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint, consistent with laws relating to data practices;

(14) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual ~~assault~~ misconduct incident;

(15) the assistance of campus authorities, at the request of the sexual misconduct victim, in preserving ~~for a sexual assault complainant or victim~~ materials relevant to a campus disciplinary proceeding;

(16) during and after the process of investigating a complaint and conducting a campus disciplinary procedure, the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual ~~assault~~ misconduct victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible;

(17) forbidding retaliation, and establishing a process for investigating complaints of retaliation, against sexual ~~assault~~ misconduct victims by campus authorities, the accused, organizations affiliated with the accused, other students, and other employees;

(18) at the request of the victim, providing students who reported sexual ~~assaults~~ misconduct to the institution and subsequently choose to transfer to another postsecondary institution with information about resources for victims of sexual ~~assault~~ misconduct at the institution to which the victim is transferring; and

(19) consistent with laws governing access to student records, providing a student who reported an incident of sexual ~~assault~~ misconduct with access to the student's description of the incident as it was reported to the institution, including if that student transfers to another postsecondary institution.

(b) None of the rights given to a student by the policy required by subdivision 1 may be made contingent upon the victim entering into a nondisclosure agreement or other contract restricting the victim's ability to discuss information in connection with a sexual misconduct complaint, investigation, or hearing.

(c) A nondisclosure agreement or other contract restricting the victim's ability to discuss information in connection with a sexual misconduct complaint, investigation, or hearing may not be used as a condition of financial aid or remedial action.

Subd. 2a. **Campus investigation and disciplinary hearing procedures.** (a) A postsecondary institution must provide a reporting party an opportunity for an impartial, timely, and thorough investigation of a report of sexual misconduct against a student. If an investigation reveals that sexual misconduct has occurred, the institution must take prompt and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence, and, as appropriate, remedy its effects.

(b) Throughout any investigation or disciplinary proceeding, a postsecondary institution must treat the reporting parties, responding parties, witnesses, and other participants in the proceeding with dignity and respect.

(c) If a postsecondary institution conducts a hearing, an advisor may provide opening and closing remarks on behalf of a party or assist with formulating questions to the other party or witnesses about related evidence or credibility.

Subd. 3. **Uniform amnesty.** The sexual ~~harassment and violence~~ misconduct policy required by subdivision 1 must include a provision that a witness or victim of an incident of sexual ~~assault~~ misconduct who reports the incident in good faith shall not be sanctioned by the institution for admitting in the report to a violation of the institution's student conduct policy on the personal use of drugs or alcohol.

Subd. 4. **Coordination with local law enforcement.** (a) A postsecondary institution must enter into a memorandum of understanding with the primary local law enforcement agencies that serve its campus. The memorandum must be entered into no later than January 1, 2017, and updated every two years thereafter. This memorandum shall clearly delineate responsibilities and require information sharing, in accordance with applicable state and federal privacy laws, about certain crimes including, but not limited to, sexual assault. This memorandum of understanding shall provide:

(1) delineation and sharing protocols of investigative responsibilities;

(2) protocols for investigations, including standards for notification and communication and measures to promote evidence preservation; and

(3) a method of sharing information about specific crimes, when directed by the victim, and a method of sharing crime details anonymously in order to better protect overall campus safety.

(b) Prior to the start of each academic year, a postsecondary institution shall distribute an electronic copy of the memorandum of understanding to all employees on the campus that are subject to the memorandum.

(c) An institution is exempt from the requirement that it develop a memorandum of understanding under this section if the institution and local or county law enforcement agencies establish a sexual ~~assault~~ misconduct protocol team to facilitate effective cooperation and collaboration between the institution and law enforcement.

Subd. 5. **Online reporting system.** (a) A postsecondary institution must provide an online reporting system to receive complaints of sexual ~~harassment and sexual violence~~ misconduct from students and employees. The system must permit anonymous reports, provided that the institution is not obligated to investigate an anonymous report unless a formal report is submitted through the process established in the institution's sexual ~~harassment and sexual violence~~ misconduct policy.

(b) A postsecondary institution must provide students making reports under this subdivision with information about who will receive and have access to the reports filed, how the information gathered through the system will be used, and contact information for on-campus and off-campus organizations serving victims of sexual ~~violence~~ misconduct.

(c) Data collected under this subdivision is classified as private data on individuals as defined by section 13.02, subdivision 12. Postsecondary institutions not otherwise subject to chapter 13 must limit access to the data to only the data subject and persons whose work assignments reasonably require access.

Subd. 6. **Data collection and reporting.** (a) Postsecondary institutions must annually report statistics on sexual ~~assault~~ misconduct. This report must be prepared in addition to any federally required reporting on campus security, including reports required by the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States Code, title 20, section 1092(f). The report must include, but not be limited to, the number of incidents of sexual ~~assault~~ misconduct of each offense listed under the definition in subdivision 1a, reported to the institution in the previous calendar year, as follows:

(1) the number that were investigated by the institution;

(2) the number that were referred for a disciplinary proceeding at the institution;

(3) the number the victim chose to report to local or state law enforcement;

(4) the number for which a campus disciplinary proceeding is pending, but has not reached a final resolution;

(5) the number in which the alleged perpetrator was found responsible by the disciplinary proceeding at the institution;

(6) the number that resulted in any action by the institution greater than a warning issued to the accused;

(7) the number that resulted in a disciplinary proceeding at the institution that closed without resolution;

(8) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the accused withdrew from the institution;

(9) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the victim chose not to participate in the procedure; and

(10) the number of reports made through the online reporting system established in subdivision 5, excluding reports submitted anonymously.

(b) If an institution previously submitted a report indicating that one or more disciplinary proceedings was pending, but had not reached a final resolution, and one or more of those disciplinary proceedings reached a final resolution within the previous calendar year, that institution must submit updated totals from the previous year that reflect the outcome of the pending case or cases.

(c) The reports required by this subdivision must be submitted to the Office of Higher Education by October 1 of each year. Each report must contain the data required under paragraphs (a) and (b) from the previous calendar year.

(d) The commissioner of the Office of Higher Education shall calculate statewide numbers for each data item reported by an institution under this subdivision. The statewide numbers must include data from postsecondary institutions that the commissioner could not publish due to federal laws governing access to student records.

(e) The Office of Higher Education shall publish on its website:

(1) the statewide data calculated under paragraph (d); and

(2) the data items required under paragraphs (a) and (b) for each postsecondary institution in the state.

Each postsecondary institution shall publish on the institution's website the data items required under paragraphs (a) and (b) for that institution.

(f) Reports and data required under this subdivision must be prepared and published as summary data, as defined in section 13.02, subdivision 19, and must be consistent with applicable law governing access to educational data. If an institution or the Office of Higher Education does not publish data because of applicable law, the publication must explain why data are not included.

Subd. 7. **Access to data; audit trail.** (a) Data on incidents of sexual ~~assault~~ misconduct shared with campus security officers or campus administrators responsible for investigating or adjudicating complaints of sexual ~~assault~~ misconduct are classified as private data on individuals as defined by section 13.02, subdivision 12, for the purposes of postsecondary institutions subject to the requirements of chapter 13. Postsecondary institutions not otherwise subject to chapter 13 must limit access to the data to only the data subject and persons whose work assignments reasonably require access.

(b) Only individuals with explicit authorization from an institution may enter, update, or access electronic data related to an incident of sexual ~~assault~~ misconduct collected, created, or maintained under this section. The ability of authorized individuals to enter, update, or access these data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual and the institutional authorization that grants access for that purpose. All actions in which the data related to an incident of sexual ~~assault~~ misconduct are entered, updated, accessed, shared, or disseminated outside of the institution must be recorded in a data audit trail. An institution shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this subdivision or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization, the matter shall be forwarded to a county attorney for prosecution.

Subd. 8. **Comprehensive training.** (a) A postsecondary institution must provide campus security officers and campus administrators responsible for investigating or adjudicating complaints of sexual ~~assault~~ misconduct with comprehensive training on preventing and responding to sexual ~~assault~~ misconduct in collaboration with the Bureau of Criminal Apprehension or another law enforcement agency with expertise in criminal sexual conduct. The training for campus security officers shall include a presentation on the dynamics of sexual assault, neurobiological responses to trauma, and best practices for preventing, responding to, and investigating sexual ~~assault~~ misconduct. The training for campus administrators responsible for investigating or adjudicating complaints on sexual ~~assault~~ misconduct shall include presentations on preventing sexual ~~assault~~ misconduct, responding to incidents of sexual ~~assault~~ misconduct, the dynamics of sexual assault, neurobiological responses to trauma, and compliance with state and federal laws on sexual ~~assault~~ misconduct.

(b) The following categories of students who attend, or will attend, one or more courses on campus or will participate in on-campus activities must be provided sexual ~~assault~~ misconduct training:

(1) students pursuing a degree or certificate;

(2) students who are taking courses through the Postsecondary Enrollment Options Act; and

(3) any other categories of students determined by the institution.

Students must complete such training no later than ten business days after the start of a student's first semester of classes. Once a student completes the training, institutions must document the student's completion of the training and provide proof of training completion to a student at the student's request. Students enrolled at more than one institution within the same system at the same time are only required to complete the training once.

The training shall include information about topics including but not limited to sexual ~~assault~~ misconduct as defined in subdivision 1a; consent as defined in section 609.341, subdivision 4; preventing and reducing the prevalence of sexual ~~assault~~ misconduct; procedures for reporting campus sexual ~~assault~~ misconduct; and campus resources on sexual ~~assault~~ misconduct, including organizations that support victims of sexual ~~assault~~ misconduct.

(c) A postsecondary institution shall annually train individuals responsible for responding to reports of sexual ~~assault~~ misconduct. This training shall include information about best practices for interacting with victims of sexual ~~assault~~ misconduct, including how to reduce the emotional distress resulting from the reporting, investigatory, and disciplinary process.

(d) To the extent possible, trainings must be culturally responsive and address the unique experiences and challenges faced by students based on race, ethnicity, color, national origin, disability, socioeconomic status, religion, sex, gender identity, sexual orientation, and pregnancy or parenting status.

Subd. 9. **Student health services.** (a) An institution's student health service providers must screen students for incidents of sexual ~~violence and sexual harassment~~ misconduct. Student health service providers shall offer students information on resources available to victims and survivors of sexual ~~violence and sexual harassment~~ misconduct including counseling, mental health services, and procedures for reporting incidents to the institution.

(b) Each institution offering student health or counseling services must designate an existing staff member or existing staff members as confidential resources for victims of sexual ~~violence or sexual harassment~~ misconduct. The confidential resource must be available to meet with victims of sexual ~~violence and sexual harassment~~ misconduct. The confidential resource must provide victims with information about locally available resources for victims of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, mental health services and legal assistance. The confidential resource must provide victims with information about the process for reporting an incident of sexual ~~violence and sexual harassment~~ misconduct to campus authorities or local law enforcement. The victim shall decide whether to report an incident of sexual ~~violence and sexual harassment~~ misconduct to campus authorities or local law enforcement. Confidential resources must be trained in all aspects of responding to incidents of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, best practices for interacting with victims of trauma, preserving evidence, campus disciplinary and local legal processes, and locally available resources for victims. Data shared with a confidential resource is classified as sexual assault communication data as defined by section 13.822, subdivision 1.

Subd. 10. **Applicability of other laws.** This section does not exempt mandatory reporters from the requirements of section 626.557 or chapter 260E governing the reporting of maltreatment of minors or vulnerable adults. Nothing in this section limits the authority of an institution to comply with other applicable state or federal laws related to investigations or reports of sexual ~~harassment, sexual violence, or sexual assault~~ misconduct.

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

Sec. 5. **[135A.1581] NAVIGATORS FOR PARENTING STUDENTS.**

Subdivision 1. **Applicability.** (a) This section applies to the following postsecondary institutions:

(1) institutions governed by the Board of Trustees of the Minnesota State Colleges and Universities; and

(2) private postsecondary institutions that offer in-person courses on a campus located in Minnesota and which are eligible institutions as defined in section 136A.103.

(b) Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

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

(b) "Institutions of higher education" means an institution of higher education under subdivision 1.

(c) "Parenting student" means a student enrolled at an institution of higher education who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

Subd. 3. **Navigators.** An institution of higher education must designate at least one employee of the institution to act as a college navigator for current or incoming students at the institution who are parenting students. The navigator must provide to the students information regarding support services and other resources available to the students at the institution, including:

(1) medical and behavioral health coverage and services;

(2) public benefit programs, including programs related to food security, affordable housing, and housing subsidies;

(3) parenting and child care resources;

(4) employment assistance;

(5) transportation assistance; and

(6) any other resources developed by the institution to assist the students, including student academic success strategies.

Subd. 4. **Report.** (a) By June 30, 2026, an institution of higher education must establish a process for collecting the parenting status of each enrolled student. By November 30, 2026, the Office of Higher Education shall establish a process for collecting this information from institutions.

(b) Annually, beginning January 15, 2028, the Office of Higher Education must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education and children, youth, and families. The report must include the following for parenting students:

(1) summary demographic data;

(2) enrollment patterns;

(3) retention rates;

(4) completion rates;

(5) average cumulative debt at exit or graduation as possible; and

(6) time to completion.

Data must be disaggregated by institution, academic year, race and ethnicity, gender, and other factors determined to be relevant by the commissioner.

Sec. 6. **[135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING STUDENTS.**

Subdivision 1. **Definition.** (a) For the purpose of this section, the following term has the meaning given.

(b) "Parenting student" means a student enrolled at a public college or university who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

Subd. 2. **Rights and protections.** (a) A Minnesota state college or university may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:

(1) take a leave of absence or withdraw from the student's degree or certificate program;

(2) limit the student's studies;

(3) participate in an alternative program;

(4) change the student's major, degree, or certificate program; or

(5) refrain from joining or cease participating in any course, activity, or program at the college or university.

(b) A Minnesota state college or university shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:

(1) would be provided to a student with a temporary medical condition; or

(2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.

(c) A Minnesota state college or university must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:

(1) excuse the student's absence;

(2) allow the student to make up missed assignments or assessments;

(3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; and

(4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence.

(d) A Minnesota state college or university must and the University of Minnesota is requested to allow a pregnant or parenting student to:

(1) take a leave of absence; and

(2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission.

(e) If a public college or university provides early registration for courses or programs at the institution for any group of students, the Minnesota state college or university must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner.

Subd. 3. **Policy on discrimination.** Each Minnesota state college or university must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:

(1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;

(2) be posted in an easily accessible, straightforward format on the college or university's website; and

(3) be made available annually to faculty, staff, and employees of the college or university.

Subd. 4. **Administration.** The commissioner of the Office of Higher Education must, in consultation with the Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota, establish guidelines, as necessary, to administer this section. The guidelines must establish minimum periods for which a pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph (d). In establishing the minimum periods, the Office of Higher Education shall consider the maximum amount of time a student may be absent without significantly interfering with the student's ability to complete the student's degree or certificate program.

Sec. 7. Minnesota Statutes 2023 Supplement, section 135A.161, is amended by adding a subdivision to read:

Subd. 5. **Reporting.** The director must evaluate the development and implementation of the Minnesota inclusive higher education initiatives receiving a grant under section 135A.162. The director must submit an annual report by October 1 on the progress to expand Minnesota inclusive higher education options for students with intellectual disabilities to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. The report must include statutory and budget recommendations.

Sec. 8. Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 2, is amended to read:

Subd. 2. **Eligible grantees.** A Tribal college or public or nonprofit postsecondary two-year or four-year institution is eligible to apply for a grant under this section if the institution:

(1) is accredited by the Higher Learning Commission; and

(2) meets the eligibility requirements under section 136A.103.

Sec. 9. **[135A.163] STUDENTS WITH DISABILITIES; ACCOMMODATIONS; GENERAL REQUIREMENTS.**

Subdivision 1. **Short title.** This act may be cited as the "Minnesota Respond, Innovate, Succeed, and Empower (RISE) Act."

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

(b) "Institution of higher education" means a public institution of higher education, Tribal college, and private institution of higher education that receives federal funding. The Board of Regents of the University of Minnesota is requested to comply with this section.

(c) "Plain language" means communication the audience can understand the first time the audience reads or hears it.

(d) "Student with a disability" means an admitted or enrolled student who meets the definition of an individual with a disability under the Americans with Disabilities Act and includes a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231, who is admitted or enrolled in a comprehensive transition and postsecondary program.

Subd. 3. **Students with disabilities policy; dissemination of policy.** (a) Each institution of higher education shall adopt a policy making self-disclosure by a student with a disability sufficient to start the interactive process for reasonable accommodations under subdivision 4.

(b) The policy adopted under this section must be transparent and explicit. The policy must include information describing the process by which the institution of higher education determines eligibility for accommodations for an individual with a disability and information about the disability resource center and other areas within the institution that provide student accommodations, such as housing and residence life. Each institution of higher education shall disseminate the information to applicants, students, parents, and faculty in plain language and in accessible formats. The information must be available during the student application process, during student orientation, in academic catalogs, and on the institution's public website.

Subd. 4. **Establishment of reasonable accommodation; documentation.** (a) An institution of higher education shall engage in an interactive process to document the student's accommodation needs to establish a reasonable accommodation. An institution may request documentation as part of the interactive process to establish accommodations for the student with a disability.

(b) The following documentation submitted by an admitted or enrolled student is sufficient documentation for the interactive process to establish reasonable accommodations for a student with a disability:

(1) documentation that the individual has had an individualized education program (IEP). The institution of higher education may request additional documentation from an individual who has had an IEP if the IEP was not in effect immediately before the date when the individual exited high school;

(2) documentation that the individual has received services or accommodations under a section 504 plan. The institution of higher education may request additional documentation from an individual who has received services or accommodations provided to the individual under a section 504 plan if the section 504 plan was not in effect immediately before the date when the individual exited high school;

(3) documentation of a plan or record of service for the individual from a private school, a local educational agency, a state educational agency, or an institution of higher education provided under a section 504 plan or in accordance with the Americans with Disabilities Act of 1990;

(4) a record or evaluation from an appropriately qualified health or other service professional who is knowledgeable about the individual's condition, finding that the individual has a disability;

(5) a plan or record of a disability from another institution of higher education;

(6) documentation of a disability due to military service; or

(7) additional information from an appropriately qualified health or other service professional who is knowledgeable about the student's condition and can clarify the need for a new accommodation not included in subdivision 4, paragraph (b), clauses (1) to (6).

(c) An institution of higher education may establish less burdensome criteria to determine reasonable accommodations for an enrolled or admitted student with a disability.

(d) An institution of higher education shall include a representative list of potential reasonable accommodations and disability resources for individuals with a disability that is accessible to applicants, students, parents, and faculty in plain language and in accessible formats. The information must be provided during the student application process, during student orientation, in academic catalogs, and on the institution's public website. The reasonable accommodations and disability resources available to students are individualized and not limited to the list.

Subd. 5. **Higher education requirements for students with disabilities.** Institutions of higher education shall:

(1) before the beginning of each academic term, offer an opportunity for admitted students to self-identify as having a disability for which they may request an accommodation. The person or office responsible for arranging accommodations at the institution must initiate contact with any student who has self-identified under this clause. This does not preclude a student from requesting an accommodation for a disability at any other time;

(2) not require a student to be reevaluated for or submit documentation to prove the presence of a permanent disability if the student previously provided proof of their disability status and is not requesting any new accommodations;

(3) provide the student's accommodation letter to the student's instructors, if the student gives affirmative permission to share the information, and, if requested by the student, facilitate communication between the student and the student's instructors;

(4) if a course instructor cannot provide an accommodation because it would fundamentally alter the nature of that course, require an instructor to provide a notification detailing why an accommodation cannot be provided to the student and submit that information to the student and the person or office responsible for arranging accommodations; and

(5) provide a student with a disability who is denied accommodations the option to include the person or office responsible for arranging accommodations in the institution's grievance or appeal process, to resolve equitable access barriers and prevent academic or financial penalty due to no fault of the student.

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

Sec. 10. **[135A.195] REQUIREMENTS RELATED TO ONLINE PROGRAM MANAGEMENT COMPANIES.**

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

(b) "Contract" means an agreement entered into by an institution of higher education with an online program management company. Contract includes any amendment or addendum to the agreement.

(c) "Institution of higher education" means an institution governed by either the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota. The Board of Regents of the University of Minnesota is requested to comply with this section.

(d) "Managed program" means an online course or program that is fully delivered online in a virtual space.

(e) "Online program management company" means a private, for-profit, third-party entity that enters into a contract with an institution of higher education to provide bundled products and services to develop, deliver, or provide managed programs, when the services provided include recruitment and marketing.

(f) "Tuition sharing" means compensation or payment to an online program management company based on a percentage of revenue or fees collected from managed programs.

Subd. 2. **Contract stipulations.** A contract must not contain any provision that:

(1) includes or allows for tuition sharing;

(2) grants the online program management company ownership rights to any or all intellectual property rights, patentable discoveries, or inventions of faculty members of an institution of higher education; or

(3) grants the online program management company decision making authority over:

(i) curriculum development, design, or maintenance;

(ii) student assessment and grading;

(iii) course assessment;

(iv) admissions requirements;

(v) appointment of faculty;

(vi) faculty assessment;

(vii) decision to award course credit or credential; or

(viii) institutional governance.

Subd. 3. **Mandatory contract review and approval.** Prior to being executed, a contract must be reviewed and approved by the institution of higher education's governing board. The Board of Regents of the University of Minnesota is requested to comply with this subdivision. The review must include an analysis of the contract's compliance with subdivision 2 prior to approval. A governing board must not approve a contract unless the contract complies with subdivision 2.

Subd. 4. **Reporting requirements.** An institution of higher education that contracts with an online program management company shall annually submit to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over higher education finance an assessment and analysis that provides for a rigorous review and monitoring of online program management. The Board of Regents of the University of Minnesota is requested to comply with this subdivision. The report must, at a minimum, include:

(1) a comparison of the actual enrollment and revenue and the enrollment and revenue projections outlined in the financial pro forma;

(2) enrollment data reporting in 2026 and each year thereafter that includes measures of student persistence and completion;

(3) evidence of good standing and engagement with the Higher Learning Commission and any applicable specialized accreditors and licensing bodies, and evidence of any approvals that may be required to offer courses and programs;

(4) an assessment of the degree to which the programs offered compete with similar programs;

(5) a description and evidence of how institutions gather student feedback and student complaints related to online program management courses and program offerings, and the process for addressing any concerns and complaints; and

(6) the most recent compliance analysis under subdivision 3.

Subd. 5. **Marketing requirements.** (a) An institution of higher education that retains an online program management company to provide marketing services for its academic degree programs shall require that:

(1) the online program management company must clearly disclose the third-party relationship between the online program management company and the institution each time it engages in recruitment or marketing activities for an academic program of the institution; and

(2) all recruitment and marketing communications from the online program management company receive prior approval from the institution.

(b) An institution of higher education that contracts with an online program management company shall make publicly available on its website a list of the online programs that are supported by the online program management company.

Subd. 6. **Exemption.** Notwithstanding subdivision 1, paragraph (b), this section does not apply to an addendum or amendment to a contract entered into by an institution of higher education on or before July 1, 2023, that increases or decreases the number of managed programs. This subdivision expires July 1, 2028.

EFFECTIVE DATE. This section is effective July 1, 2024, and applies to contracts entered into on or after that date, subject to the exemption in subdivision 6.

Sec. 11. **[136A.053] CONSOLIDATED STUDENT AID REPORTING.**

(a) The commissioner of the Office of Higher Education shall report annually beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of programs administered under sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246, including the:

(1) total funds appropriated and expended;

(2) total number of students applying for funds;

(3) total number of students receiving funds;

(4) average and total award amounts;

(5) summary demographic data on award recipients;

(6) retention rates of award recipients;

(7) completion rates of award recipients;

(8) average cumulative debt at exit or graduation; and

(9) average time to completion.

(b) Data must be disaggregated by program, institution, aid year, race and ethnicity, gender, income, family type, dependency status, and any other factors determined to be relevant by the commissioner. The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246 as evidenced by activities funded under each program.

Sec. 12. Minnesota Statutes 2022, section 136A.091, subdivision 3, is amended to read:

Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for free or reduced-price school meals under the national school lunch program. Student eligibility shall be verified by sponsors of approved academic programs. The office shall award stipends for students within the limits of available appropriations for this section. If the amount appropriated is insufficient, the office shall allocate the available appropriation in the manner it determines. A stipend must not exceed $1,000 per student.

Sec. 13. **[136A.097] ORDER OF AID CALCULATIONS.**

The commissioner must calculate aid for programs in the order of their original enactment from oldest to most recent. The commissioner may determine the order of calculating state financial aid if:

(1) a student is eligible for multiple state financial aid programs; and

(2) two or more of those programs calculate funding after accounting for other state aid.

If the commissioner determines that a greater amount of financial aid would be available to students by calculating aid in a particular order, the commissioner may calculate aid in that order.

Sec. 14. Minnesota Statutes 2022, section 136A.1241, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training Voucher Program is eligible for a foster grant.

(b) If the individual is not eligible for the Education and Training Voucher Program, in order to receive a foster grant, an individual must:

(1) meet the definition of a resident student under section 136A.101, subdivision 8;

(2) be at least 13 years of age but fewer than 27 years of age;

(3) after the individual's 13th birthday, be in or have been in foster care in Minnesota before, on, or after June 27, 2021, including any of the following:

(i) placement in foster care at any time while 13 years of age or older;

(ii) adoption from foster care at any time after reaching 13 years of age; or

(iii) placement from foster care with a permanent legal custodian at any time after reaching 13 years of age;

(4) have graduated from high school or completed the equivalent as approved by the Department of Education;

(5) have been accepted for admission to, or be currently attending, an eligible institution;

(6) have submitted a FAFSA; ~~and~~

(7) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10~~.~~;

(8) not be in default, as defined by the office, of any federal or state student educational loan;

(9) not be more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, be complying with a written payment agreement under section 518A.69 or order for arrearages; and

(10) not have been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C.

Sec. 15. Minnesota Statutes 2023 Supplement, section 136A.1241, subdivision 5, is amended to read:

Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded a foster grant based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the foster grant must be equal to the applicant's recognized cost of attendance after accounting for:

(1) the results of the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

(3) the amount of the state grant;

(4) the Federal Supplemental Educational Opportunity Grant;

(5) the sum of all Tribal scholarships;

(6) the amount of any other state and federal gift aid;

(7) the Education and Training Voucher Program;

(8) extended foster care benefits under section 260C.451;

(9) the amount of any private grants or scholarships, excluding grants and scholarships provided by the private institution of higher education in which the eligible student is enrolled; and

(10) for public institutions, the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts.

(b) The foster grant shall be paid directly to the eligible institution where the student is enrolled.

(c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by March 1 for the next academic year. An institution that opts out of participating, but participated in the program a previous year, must hold harmless currently enrolled recipients by continuing to provide the benefit under paragraph (d) as long as the student remains eligible.

(d) An eligible private institution that does not opt out under paragraph (c) and accepts the student's application to attend the institution must provide institutional grants, scholarships, tuition waivers, or tuition remission in an amount equal to the difference between:

(1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b), clause (1); and

(2) the sum of the foster grant under this subdivision and the sum of the amounts in paragraph (a), clauses (1) to (9).

(e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or received foster grant funds for a period of ten full-time semesters or the equivalent for a four-year undergraduate degree. A foster grant student enrolled in a two-year degree, certificate, or diploma program may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or received foster grant funds for a period of six full-time semesters or the equivalent.

(f) Foster grants may be awarded to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

(g) The commissioner shall establish a priority application deadline.

(h) If there is a projected shortfall in available resources, the commissioner must proportionately reduce awards to keep spending within available resources.

(i) Applicants applying after the priority deadline for whom the office has received a completed application must be placed on a waiting list in order of application completion date. Awards must be made on a first-come, first-served basis in the order complete applications are received. Students who received the Fostering Independence Grant in the previous year shall be given priority. If there are multiple applications with identical completion dates, those applications must be further sorted by application receipt date. Awards must be made to eligible students until the appropriation is expended.

Sec. 16. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The following terms have the meanings given:

(1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college and who meets the eligibility requirements in subdivision 2;

(2) "gift aid" ~~means all~~ includes:

(i) all federal financial aid that is not a loan or pursuant to a work-study program;

(ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant to a work-study program;

(iii) institutional financial aid ~~designated for the student's educational expenses~~, including a grant, scholarship, tuition waiver, fellowship stipend, or other ~~third-party~~ payment, unless designated for other expenses, that is not a loan or pursuant to a work-study program; and

(iv) all private financial aid that is not a loan or pursuant to a work-study program.

Financial aid from the state, public postsecondary educational institutions, and Tribal colleges that is specifically designated for other expenses is not gift aid for purposes of the North Star Promise scholarship.

~~(3) "office" means the Office of Higher Education;~~

(3) "other expenses" includes books, required supplies, child care, emergency assistance, food, and housing;

(4) "public postsecondary educational institution" means an institution operated by this state, or the Board of Regents of the University of Minnesota~~, or a Tribal college~~;

(5) "recognized cost of attendance" has the meaning given in United States Code, title 20, chapter 28, subchapter IV, part F, section 1087ll;

~~(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after deducting grants and other scholarships;~~

(6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph (c); and

(7) "tuition and fees" means the actual tuition and mandatory fees charged by an institution.

Sec. 17. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 2, is amended to read:

Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student who:

(1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;

(2) has a family adjusted gross income below $80,000;

(3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over and has met all requirements for admission as a student to an eligible college or university;

~~(3)~~ (4) has not earned a baccalaureate degree at the time the scholarship is awarded;

~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~

(6) is enrolled in a program or course of study that applies to a degree, diploma, or certificate;

(7) is not in default, as defined by the office, of any federal or state student educational loan;

(8) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages;

(9) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C; and

~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.

Sec. 18. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 3, is amended to read:

Subd. 3. **Scholarship.** (a) Beginning in the fall term of the 2024-2025 academic year, scholarships shall be awarded to eligible students in an amount not to exceed 100 percent of tuition and fees after ~~grants and other scholarships are~~ gift aid is deducted.

(b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after scholarships are awarded under paragraph (a), supplemental grants shall be awarded to eligible students in an amount ~~equal to 100 percent of tuition and fees plus, subject to available funds,~~ up to 50 percent of the amount of a Pell grant the student

would receive based on household size, family adjusted gross income, and results of the federal needs analysis ~~after other gift aid is deducted~~, not to exceed the student's recognized cost of attendance. The commissioner may adjust the supplemental grant amount based on the availability of funds.

Sec. 19. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 4, is amended to read:

Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with the 2024-2025 academic year, a public postsecondary educational institution or Tribal college shall not reduce the institutional gift aid offered or awarded to a student who is eligible to receive funds under this program unless the student's gift aid exceeds the student's annual recognized cost of attendance.

(b) The public postsecondary educational institution or Tribal college may reduce the institutional gift aid offer of a student who is eligible to receive funds under this program by no more than the amount of the student's gift aid that is in excess of the student's annual recognized cost of attendance.

(c) The public postsecondary educational institution or Tribal college shall not consider receipt or anticipated receipt of funds under this program when considering a student for qualification for institutional gift aid.

(d) To ensure financial aid is maximized, a public postsecondary educational institution or Tribal college is encouraged to implement efforts to avoid scholarship displacement through consultation with the Office of Higher Education ~~and students to avoid situations where institutional gift aid can only be used for specific purposes~~.

Sec. 20. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 5, is amended to read:

Subd. 5. **Duration of scholarship authorized; scholarship paid to institution.** (a) Each scholarship is for a period of one semester. A scholarship may be renewed provided that the eligible student continues to meet the conditions of eligibility.

(b) Scholarships may be provided to an eligible student ~~for up to 60 credits for~~ pursuing the completion of a certificate or an associate degree ~~and up to 120 credits for the completion of a bachelor's degree~~ who has not previously received the scholarship for four full-time semesters or the equivalent. Scholarships may be provided to an eligible student pursuing the completion of a bachelor's degree who has not previously received the scholarship for eight full-time semesters or the equivalent. The maximum ~~credits~~ for which a student is eligible is a total of ~~120 credits~~ eight full-time semesters or the equivalent. Courses taken that qualify as developmental education or below college-level shall be excluded from the limit.

(c) A student is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment:

(1) for active military service because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

~~(c) The commissioner shall determine a time frame by which the eligible student must complete the credential.~~

(d) The scholarship must be paid directly to the eligible institution where the student is enrolled.

Sec. 21. Minnesota Statutes 2022, section 136A.1701, subdivision 4, is amended to read:

Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such terms and conditions as the office may prescribe.

(b) The minimum loan amount and a maximum loan amount to students must be determined annually by the office. Loan limits are defined based on the type of program enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate program. The aggregate principal amount of all loans made subject to this paragraph to a student as an undergraduate and graduate student must not exceed $140,000. The amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. A student may borrow up to the maximum amount twice in the same grade level.

(c) The cumulative borrowing maximums must be determined annually by the office and are defined based on program enrollment. In determining the cumulative borrowing maximums, the office shall, among other considerations, take into consideration the maximum SELF loan amount, student financing needs, funding capacity for the SELF program, delinquency and default loss management, and current financial market conditions.

Sec. 22. Minnesota Statutes 2022, section 136A.1701, subdivision 7, is amended to read:

Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans made under this section in accordance with the policies, rules, and conditions authorized under section 136A.16, subdivision 2. The office will take into consideration the loan limits and current financial market conditions when establishing repayment terms. The office shall not require a minimum annual payment, though the office may require minimum monthly payments.

Sec. 23. Minnesota Statutes 2022, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~$1,300,000,000~~ $2,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 24. Minnesota Statutes 2023 Supplement, section 136A.62, subdivision 3, is amended to read:

Subd. 3. **School.** "School" means:

(1) a Tribal college that has a physical presence in Minnesota;

(2) any partnership, company, firm, society, trust, association, corporation, or any combination thereof, with a physical presence in Minnesota, which: (i) is, owns, or operates a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private, for-profit postsecondary education institution; or (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit; or

(3) any public or private postsecondary educational institution located in another state or country ~~which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or~~ with a physical presence in Minnesota.

~~(4) any individual, entity, or postsecondary institution located in another state that contracts with any school located within the state of Minnesota for the purpose of providing educational programs, training programs, or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program.~~

Sec. 25. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision to read:

Subd. 8. **Postsecondary education.** "Postsecondary education" means the range of formal learning opportunities beyond high school, including those aimed at learning an occupation or earning an academic credential.

Sec. 26. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision to read:

Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of Minnesota for the purpose of conducting activity related to any program at the degree level or courses that may be applied to a degree program. Physical presence includes:

(1) operating a location within the state;

(2) offering instruction within or originating from Minnesota designed to impart knowledge with response utilizing teachers, trainers, counselors or computer resources, computer linking, or any form of electronic means; and

(3) granting an educational credential from a location within the state or to a student within the state.

Physical presence does not include field trips, sanctioned sports recruiting activities, or college fairs or other assemblies of schools in Minnesota. No school may enroll an individual, allow an individual to sign any agreement obligating the person to the school, accept any moneys from the individual, or follow up with an individual by means of an in-person meeting in Minnesota at a college fair or assembly.

Sec. 27. Minnesota Statutes 2022, section 136A.63, subdivision 1, is amended to read:

Subdivision 1. **Annual registration.** All schools ~~located within Minnesota and all schools located outside Minnesota~~ with a physical presence in Minnesota which offer degree programs or courses within Minnesota shall register annually with the office.

Sec. 28. Minnesota Statutes 2022, section 136A.646, is amended to read:

136A.646 ADDITIONAL SECURITY.

(a) New institutions that have been granted conditional approval for degrees or names to allow them the opportunity to apply for and receive accreditation under section 136A.65, subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue from tuition and fees in the registered institution's prior fiscal year, but in no case shall the bond be less than $10,000.

(b) Any registered institution that is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying ~~either the Zone Alternative,~~ an alternative standard set forth in Code of Federal Regulations, title 34, section 668.175, ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c),~~ shall provide a surety bond in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than $10,000 nor more than $250,000. If the letter of credit required by the United States Department of Education is higher than ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, the office shall reduce the office's surety requirement to represent ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, subject to the minimum and maximum in this paragraph.

(c) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

(1) a sum equal to the amount of the required surety bond in cash;

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond; or

(3) an irrevocable letter of credit issued by a financial institution to the amount of the required surety bond.

(d) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(e) In the event of a school closure, the additional security must first be used to destroy any private educational data under section 13.32 left at a physical campus in Minnesota after all other governmental agencies have recovered or retrieved records under their record retention policies. Any remaining funds must then be used to reimburse tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn in the previous ~~120~~ 180 calendar days but did not graduate. Priority for refunds will be given to students in the following order:

(1) cash payments made by the student or on behalf of a student;

(2) private student loans; and

(3) Veteran Administration education benefits that are not restored by the Veteran Administration. If there are additional security funds remaining, the additional security funds may be used to cover any administrative costs incurred by the office related to the closure of the school.

Sec. 29. Minnesota Statutes 2022, section 136A.65, subdivision 4, is amended to read:

Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its degree or degrees and name approved must substantially meet the following criteria:

(1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered;

(2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered;

(3) the school operates in conformity with generally accepted accounting principles according to the type of school;

(4) the school provides an educational program leading to the degree it offers;

(5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;

(6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;

(7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment;

(8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students;

(9) the school provides information to students and prospective students concerning:

(i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;

(ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;

(iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and

(v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program;

(10) the school must not withhold a student's official transcript because the student is in arrears or in default on any loan issued by the school to the student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b); ~~and~~

(11) the school has a process to receive and act on student complaints;

(12) the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.61 to 136A.71 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program; and

(13) the school must not use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that would be covered under section 136A.672.

(b) An application for degree approval must also include:

(i) title of degree and formal recognition awarded;

(ii) location where such degree will be offered;

(iii) proposed implementation date of the degree;

(iv) admissions requirements for the degree;

(v) length of the degree;

(vi) projected enrollment for a period of five years;

(vii) the curriculum required for the degree, including course syllabi or outlines;

(viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;

(ix) statement of satisfaction of professional licensure criteria, if applicable;

(x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and

(xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.

Sec. 30. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

Subd. 2. **Additional reporting.** (a) In addition to the information required for the indicators in subdivision 1, an institution must notify the office within ten business days if any of the events in paragraphs (b) to (e) occur.

(b) Related to revenue, debt, and cash flow, notice is required if:

(1) the institution defaulted on a debt payment or covenant and has not received a waiver of the violation from the financial institution within 60 days;

(2) for institutions with a federal composite score of less than 1.5, the institution's owner withdraws equity that directly results in a composite score of less than 1.0, unless the withdrawal is a transfer between affiliated entities included in a common composite score;

(3) the United States Department of Education requires a 25 percent or greater Letter of Credit, except when the Letter of Credit is imposed due to a change of ownership;

(4) the United States Department of Education requires Heightened Cash Monitoring 2;

(5) the institution receives written notification that it violated the United States Department of Education's revenue requirement under United States Code, title 20, section 1094(a)(24), as amended; or

(6) the institution receives written notification by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative,~~ an alternative standard set forth in Code of Federal Regulations, title 34, section 668.175~~, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c)~~.

(c) Related to accreditation and licensing, notice is required if:

(1) the institution receives written notification of probation, warning, show-cause, or loss of institutional accreditation;

(2) the institution receives written notification that its institutional accreditor lost federal recognition; or

(3) the institution receives written notification that it has materially violated state authorization or institution licensing requirements in a different state that may lead to or has led to the termination of the institution's ability to continue to provide educational programs or otherwise continue to operate in that state.

(d) Related to securities, notice is required if:

(1) the Securities and Exchange Commission (i) issues an order suspending or revoking the registration of the institution's securities, or (ii) suspends trading of the institution's securities on any national securities exchange;

(2) the national securities exchange on which the institution's securities are traded notifies the institution that it is not in compliance with the exchange's listing requirements and the institution's securities are delisted; or

(3) the Securities and Exchange Commission is not in timely receipt of a required report and did not issue an extension to file the report.

(e) Related to criminal and civil investigations, notice is required if:

(1) the institution receives written notification of a felony criminal indictment or charges of the institution's owner;

(2) the institution receives written notification of criminal indictment or charges of the institution's officers related to operations of the institution; or

(3) there has been a criminal, civil, or administrative adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the institution or its owner, officers, agents, or sponsoring organization.

Sec. 31. Minnesota Statutes 2022, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) ~~and (c)~~ to (d) for new registrations.

(b) A new school offering no more than one degree at each level during its first year must pay registration fees for each applicable level in the following amounts:

associate degree	$2,000
baccalaureate degree	$2,500
master's degree	$3,000
doctorate degree	$3,500

(c) A new school that will offer more than one degree per level during its first year must pay registration fees in an amount equal to the fee for the first degree at each degree level under paragraph (b), plus fees for each additional nondegree program or degree as follows:

nondegree program	$250
additional associate degree	$250
additional baccalaureate degree	$500
additional master's degree	$750
additional doctorate degree	$1,000

(d) In addition to the fees under paragraphs (b) and (c), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for

review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

~~(d)~~ (e) The annual renewal registration fee is $1,500.

(f) In addition to the fee under paragraph (e), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

Sec. 32. Minnesota Statutes 2022, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains~~, advertises, administers, solicits for, or conducts~~ a physical presence for any program at less than an associate degree level; is not registered as a private institution under sections 136A.61 to 136A.71; and is not specifically exempted by section 136A.833.

Sec. 33. Minnesota Statutes 2022, section 136A.821, is amended by adding a subdivision to read:

Subd. 20. **Physical presence.** "Physical presence" means presence within the state of Minnesota for the purpose of conducting activity related to any program at less than an associate degree level. Physical presence includes:

(1) operating a location within the state;

(2) offering instruction within or originating from Minnesota designed to impart knowledge with response utilizing teachers, trainers, counselors or computer resources, computer linking, or any form of electronic means;

(3) granting an educational credential from a location within the state or to a student within the state; and

(4) using an agent, recruiter, institution, or business that solicits for enrollment or credits or for the award of an educational credential.

Physical presence does not include field trips, sanctioned sports recruiting activities, or college fairs or other assemblies of schools in Minnesota. No school may enroll an individual, allow an individual to sign any agreement obligating the person to the school, accept any moneys from the individual, or follow up with an individual by means of an in-person meeting in Minnesota at a college fair or assembly.

Sec. 34. Minnesota Statutes 2022, section 136A.822, subdivision 1, is amended to read:

Subdivision 1. **Required.** A private career school must not maintain~~, advertise, solicit for, administer, or conduct~~ a physical presence for any program in Minnesota without first obtaining a license from the office.

Sec. 35. Minnesota Statutes 2022, section 136A.822, subdivision 2, is amended to read:

Subd. 2. **Contract unenforceable.** A contract entered into with a person for a program by or on behalf of a person operating a private career school with a physical presence in Minnesota to which a license has not been issued under sections 136A.821 to 136A.833, is unenforceable in any action.

Sec. 36. Minnesota Statutes 2022, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school ~~which maintains, conducts, solicits for, or advertises~~ with a physical presence within the state of Minnesota for any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)(1) The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, but in no event less than $10,000, except that a private career school may deposit a greater amount at its own discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net revenue from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota.

(2) A person required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board, except not including those schools licensed exclusively in order to participate in state grants or SELF loan financial aid programs, shall be required to provide a school bond of $10,000.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 37. Minnesota Statutes 2022, section 136A.822, subdivision 7, is amended to read:

Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota that ~~offer, advertise, solicit for, or conduct any program~~ have a physical presence within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. The statement shall designate the secretary of state as resident agent for service of process in the absence of a designated agent. If a private career school fails to file the statement, the secretary of state is designated as the resident agent authorized to receive service of process. The authorization shall be irrevocable as to causes of action arising out of transactions occurring prior to the filing of written notice of withdrawal from the state of Minnesota filed with the secretary of state.

Sec. 38. Minnesota Statutes 2022, section 136A.822, subdivision 8, is amended to read:

Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the private career school's financial obligations;

(ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the private career school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;

(6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office;

(7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;

(8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause; ~~and~~

(9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization;

(10) that the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829 or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation; and

(11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.

Sec. 39. Minnesota Statutes 2022, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** (a) The office processing fee for an initial licensure application is:

(1) $2,500 for a private career school that will offer no more than one program during its first year of operation;

(2) $750 for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, or licensed exclusively in order to participate in state grant or SELF loan financial aid programs; and

(3) $2,500, plus $500 for each additional program offered by the private career school, for a private career school during its first year of operation.

(b) In addition to the fee under paragraph (a), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

Sec. 40. Minnesota Statutes 2022, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school that offers one program, the license renewal fee is $1,150;

(2) for a private career school that offers more than one program, the license renewal fee is $1,150, plus $200 for each additional program with a maximum renewal licensing fee of $2,000;

(3) for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, the license renewal fee is $750; and

(4) for a private career school licensed by another state agency and also licensed with the office exclusively in order to participate in state student aid programs, the license renewal fee is $750.

(b) If a license renewal application is not received by the office by the close of business at least 60 days before the expiration of the current license, a late fee of $100 per business day, not to exceed $3,000, shall be assessed.

(c) In addition to the fee under paragraph (a), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

Sec. 41. Minnesota Statutes 2022, section 136A.828, subdivision 3, is amended to read:

Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a program, if the private career school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

(b) Other than opinion-based statements or puffery, a school shall only make claims that are evidence-based, can be validated, and are based on current conditions and not on conditions that are no longer relevant.

(c) A school shall not guarantee or imply the guarantee of employment.

(d) A school shall not guarantee or advertise any certain wage or imply earnings greater than the prevailing wage for entry-level wages in the field of study for the geographic area unless advertised wages are based on verifiable wage information from graduates.

(e) If placement statistics are used in advertising or other promotional materials, the school must be able to substantiate the statistics with school records. These records must be made available to the office upon request. A school is prohibited from reporting the following in placement statistics:

(1) a student required to receive a job offer or start a job to be classified as a graduate;

(2) a graduate if the graduate held a position before enrolling in the program, unless graduating enabled the graduate to maintain the position or the graduate received a promotion or raise upon graduation;

(3) a graduate who works less than 20 hours per week; and

(4) a graduate who is not expected to maintain the position for at least 180 days.

(f) A school shall not use endorsements, commendations, or recommendations by a student in favor of a school except with the consent of the student and without any offer of financial or other material compensation. Endorsements may be used only when they portray current conditions.

(g) A school may advertise that the school or its programs have been accredited by an accrediting agency recognized by the United States Department of Education or the Council for Higher Education Accreditation, but shall not advertise any other accreditation unless approved by the office. The office may approve an institution's advertising of accreditation that is not recognized by the United States Department of Education or the Council for Higher Education if that accreditation is industry specific. Clear distinction must be made when the school is in candidacy or application status versus full accreditation.

(h) A school may advertise that financial aid is available, including a listing of the financial aid programs in which the school participates, but federal or state financial aid shall not be used as a primary incentive in advertisement, promotion, or recruitment.

(i) A school may advertise placement or career assistance, if offered, but shall not use the words "wanted," "help wanted," or "trainee," either in the headline or the body of the advertisement.

(j) A school shall not be advertised under any "help wanted," "employment," or similar classification.

(k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar test.

(l) A school shall not make a claim that its program qualifies for a national certification if that national certification entity is not accepted or recognized by Minnesota employers. A school may validate that a national certification is accepted or recognized by Minnesota employers by providing three certified letters from employers that the national certification entity is recognized in Minnesota by employers.

~~(l)~~ (m) The commissioner, at any time, may require a retraction of a false, misleading, or deceptive claim. To the extent reasonable, the retraction must be published in the same manner as the original claim.

Sec. 42. Minnesota Statutes 2022, section 136A.828, is amended by adding a subdivision to read:

Subd. 7. **Nondisclosure agreements.** No private career school shall use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that would be covered under section 136A.8295.

Sec. 43. Minnesota Statutes 2022, section 136A.829, subdivision 3, is amended to read:

Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

(a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of Laws 1973, chapter 714;

(b) To grant conditional private career school license for periods of less than one year if in the judgment of the office correctable deficiencies exist at the time of application and when refusal to issue private career school license would adversely affect currently enrolled students;

(c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to hold a license or permit. However, before proceeding to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected and the private career school is in compliance with the provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation, or suspension shall be taken.

(d) To grant a private career school a probationary license for periods of less than three years if, in the judgment of the office, correctable deficiencies exist at the time of application that need more than one year to correct and when the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Probationary licenses may include requirements and restrictions for:

(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;

(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;

(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;

(4) a prohibition from accepting tuition and fee payments prior to the add/drop period of the current period of instruction or before the funds have been earned by the school according to the refund requirements of section 136A.827;

(5) a prohibition from enrolling new students;

(6) enrollment caps;

(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;

(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or

(9) submission of closure information under section 136A.8225.

Sec. 44. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision to read:

Subd. 4. **Effect.** A private career school or its owners, officers, or sponsoring organization is prohibited from applying for licensure under section 136A.822 within two years of the effective date of a revocation or within two years from the last date of instruction if the school closed prior to all students completing their courses and programs. A school applying for licensure must:

(1) meet the requirements for licensure under section 136A.822;

(2) pay the licensure fees as a new school under section 136A.824, subdivision 1;

(3) correct any deficiencies that were identified in the revocation order or closed school requests under section 136A.8225;

(4) pay any outstanding fines or penalties under section 136A.832; and

(5) pay any outstanding student refunds under section 136A.827.

Sec. 45. Minnesota Statutes 2023 Supplement, section 136A.833, subdivision 2, is amended to read:

Subd. 2. **Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the following:

(1) public postsecondary institutions;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) postsecondary institutions exempt from registration under sections 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;

~~(4) private career schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;~~

~~(5)~~ (4) private schools complying with the requirements of section 120A.22, subdivision 4;

~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union. A trade union is an organization of workers in the same skilled occupation or related skilled occupations who act together to secure all members favorable wages, hours, and other working conditions;

~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally disabled persons ~~for the state of Minnesota~~;

~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota law to issue licenses for training programs except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

~~(9)~~ (8) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee, regardless of whether that fee is reimbursed by the employer or third party after the employee successfully completes the training;

~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects that are not advertised or maintained for vocational or career advancement, including adult basic education, as determined by the office except private career schools required to obtain a private career school license due to the use of ~~"academy," "institute,"~~ "college~~,~~" or "university" in their names ~~unless the private career school used "academy" or "institute" in its name prior to August 1, 2008~~;

~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity, and that are offered exclusively to individuals with the professional licensure or certification. In making the determination that the licensure or certification is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the licensure and certification is recognized in Minnesota;

~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations and does not include the instruction to prepare students for that license, occupation, certification, or exam;

~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

~~(16)~~ (15) classes, courses, or programs providing instruction in personal development that is not advertised or maintained for vocational or career advancement, modeling, or acting;

~~(17)~~ (16) private career schools with no physical presence in Minnesota~~, as determined by the office,~~ engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and

~~(18)~~ (17) private career schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges, regardless of payment or reimbursement method, for a student to participate do not exceed $100.

Sec. 46. Minnesota Statutes 2023 Supplement, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; (6) transportation; (7) construction; (8) education; (9) public safety; (10) energy; or ~~(10)~~ (11) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.

(c) The student must be enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system to be eligible for first- and second-year scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 47. **[137.375] DISABLED VETERANS; UNIVERSITY OF MINNESOTA LANDSCAPE ARBORETUM.**

(a) For purposes of this section, "disabled veteran" means a veteran as defined in section 197.447 who is certified as disabled. "Certified as disabled" means certified in writing by the United States Department of Veterans Affairs or the state commissioner of veterans affairs as having a permanent service-connected disability.

(b) The University of Minnesota Landscape Arboretum is requested to provide a disabled veteran unlimited access to the University of Minnesota Landscape Arboretum located in the city of Chaska free of charge. The disabled veteran must provide a veteran photo identification card with the term "service-connected" on the identification card, verifying that the disabled veteran has a service-connected disability.

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

Sec. 48. **REPEALER.**

(a) Minnesota Statutes 2022, section 135A.16, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2025."

Delete the title and insert:

"A bill for an act relating to higher education; providing for funding and policy and technical changes to certain higher education provisions, including student sexual misconduct, student admissions, student aid, student supports, and institutional registration and contract provisions; modifying the bonding authority of the Minnesota Higher Education Facilities Authority; modifying previous appropriations; establishing fees; requiring reports;

appropriating money; amending Minnesota Statutes 2022, sections 135A.15, as amended; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.29, subdivision 9; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.69, subdivision 1; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.824, subdivisions 1, 2; 136A.828, subdivision 3, by adding a subdivision; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; Laws 2022, chapter 42, section 2; Laws 2023, chapter 41, article 1, sections 2, subdivisions 35, 36, 49, as amended; 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 137; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7."

We request the adoption of this report and repassage of the bill.

House Conferees: GENE PELOWSKI JR., and DAN WOLGAMOTT.

Senate Conferees: OMAR FATEH and ARIC PUTNAM.

Pelowski moved that the report of the Conference Committee on H. F. No. 4024 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 4024, A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including student sexual misconduct, student aid, student supports, and institutional registration and contract provisions; modifying allowable uses for appropriations; requiring reports; amending Minnesota Statutes 2022, sections 135A.15, subdivisions 1a, 2, 6, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; Laws 2023, chapter 41, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7.

The 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 72 yeas and 57 nays as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

MOTIONS AND RESOLUTIONS

TAKEN FROM THE TABLE

Long moved that S. F. No. 37 be taken from the table. The motion prevailed and S. F. No. 37 was taken from the table.

S. F. No. 37 was reported to the House.

The Speaker called Moller to the Chair.

The pending Demuth amendment to S. F. No. 37, the unofficial engrossment, was again reported to the House and reads as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section shall be added to article I, to read:

Sec. 18. Equality of rights under the law shall not be denied or abridged by the state or the political subdivision of the state on account of sex.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2024 general election. If ratified, the amendment is effective January 1, 2025. The question submitted must be:

"Shall the Minnesota Constitution be amended to say that equality of rights under the law shall not be denied or abridged by the state or the political subdivision of the state on account of sex?

Yes .....
No ....."

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Minnesota Equal Rights Amendment.""

Amend the title accordingly

A roll call was requested and properly seconded.

The question recurred on the Demuth amendment and the roll was called. There were 59 yeas and 69 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Niska moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 2, line 4, after the period, insert "The rights hereby secured under this section shall not be so construed so as to excuse acts of licentiousness or justify practices inconsistent with the peace and safety of the state."

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

Gillman moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 2, line 10, after the period, insert "Nothing in this section shall be construed to prevent the restriction of membership on an athletic team or in an athletic program or event to participants of one sex if the restriction is appropriate or necessary to preserve the unique character of the athletic team, program, or event and it would not substantially reduce comparable athletic opportunities for the other sex."

A roll call was requested and properly seconded.

Knudsen moved to amend the Gillman amendment to S. F. No. 37, the unofficial engrossment, as follows:

Page 1, line 4, after "sex" insert ", based on the individual's biological sex assigned at birth,"

A roll call was requested and properly seconded.

The question was taken on the Knudsen amendment to the Gillman amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

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

Pursuant to rule 1.50, Long moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

The Speaker resumed the Chair.

The question recurred on the Gillman amendment and the roll was called. There were 61 yeas and 67 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

LAY ON THE TABLE

Long moved that S. F. No. 37 be laid on the table. The motion prevailed and S. F. No. 37 was laid on the table.

MOTIONS AND RESOLUTIONS, Continued

Hassan moved that the name of Noor be added as chief author on H. F. No. 3448. The motion prevailed.

Reyer moved that the name of Elkins be added as an author on H. F. No. 3891. The motion prevailed.

Franson moved that the name of Wolgamott be added as an author on H. F. No. 3944. The motion prevailed.

Brand moved that the name of Acomb be added as an author on H. F. No. 4872. The motion prevailed.

Lee, F., moved that the name of Reyer be added as an author on H. F. No. 5162. The motion prevailed.

Lee, F., moved that the name of Reyer be added as an author on H. F. No. 5220. The motion prevailed.

Davids moved that the name of Davids be stricken as an author on H. F. No. 5274. The motion prevailed.

Stephenson moved that the name of Tabke be added as an author on H. F. No. 5274. The motion prevailed.

Nelson, M., moved that the name of Vang be added as an author on H. F. No. 5406. The motion prevailed.

Edelson moved that the name of Edelson be stricken as an author on H. F. No. 5442. The motion prevailed.

Long moved that S. F. No. 4027, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

PROTEST AND DISSENT

Pursuant to Article IV, Section 11 of the Minnesota Constitution, we the undersigned Members of the Minnesota House of Representatives register our protest and dissent against Speaker Melissa Hortman for her willful silencing of the minority party, and brazen actions that violated custom and usage of the Minnesota House and resulted in a failure by the Speaker to maintain order and decorum during debate pursuant to House Rules.

On Wednesday, May 15, Speaker Hortman knowingly and willfully ignored several members of the minority who had been waiting to be recognized for debate on third reading for House File 5363. Speaker Hortman subsequently knowingly and willfully chose to not recognize several legitimate motions made by members of the Minority, a violation of House custom and usage, and Mason's Legislative Manual Section 578, Section 2 which states "The presiding officer may not refuse to put any motion that is in order."

Custom and usage of the Minnesota House has been that members have a right to debate on the House floor. Mason's Legislative Manual Section 578 Section 3 states that "the presiding officer may not limit or close debate except as authorized by the rules […] or by a motion duly approved by the body."

We the undersigned members of the Minnesota House of Representatives admonish Speaker Hortman for her actions and conduct as Presiding Officer of the House, and demand a formal apology to the House for her actions that silenced the Minority and violated her responsibility to facilitate debate and allow for the voices of Representatives each representing more than 40,000 Minnesotans to be heard.

Pursuant to Article IV, Section 11 of the Minnesota Constitution, we direct that our protest and dissent be entered in the Journal of the House of Representatives.

Respectfully submitted,

LISA DEMUTH
PAUL TORKELSON
MATT GROSSELL
JEFF DOTSETH
ISAAC SCHULTZ
JEFF BACKER
DUANE QUAM
JIM JOY
JOHN BURKEL
JIM NASH
SPENCER IGO
KRISTIN ROBBINS
BERNIE PERRYMAN
TOM MURPHY
ROGER SKRABA
PEGGY BENNETT
STEVEN JACOB
MARK WIENS
JOSH HEINTZEMAN
BEN DAVIS
MARY FRANSON
KRISTA KNUDSEN
DAVE BAKER
JOHN PETERSBURG
PATRICIA MUELLER
WALTER HUDSON
JON KOZNICK
BJORN OLSON
HARRY NISKA
MIKE WIENER
MATT BLISS
JEFF WITTE
PAM ALTENDORF
PATTI ANDERSON
BOBBIE HARDER
ELLIOTT ENGEN
BRIAN JOHNSON
SHANE MEKELAND
BEN BAKEBERG
BRIAN PFARR
NATHAN NELSON

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 11:00 a.m., Saturday, May 18, 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., Saturday, May 18, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives