

## STATE OF MINNESOTA

## NINETY-THIRD SESSION — 2024

## ONE HUNDRED EIGHTEENTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 18, 2024

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

Prayer was offered by Representative Joe McDonald, District 29A, Delano, 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	Demuth	Hemmingsen-Jaeger	Koznick	Niska	Sencer-Mura
Agbaje	Dotseth	Her	Kraft	Noor	Skraba
Altendorf	Edelson	Hicks	Kresha	Norris	Smith
Anderson, P. H.	Elkins	Hill	Lawrence	Novotny	Stephenson
Backer	Engen	Hollins	Lee, F.	Olson, B.	Swedzinski
Bahner	Feist	Hornstein	Lee, K.	Olson, L.	Tabke
Bakeberg	Finke	Howard	Liebling	Pelowski	Torkelson
Baker	Fischer	Hudson	Lillie	Pérez-Vega	Urdahl
Becker-Finn	Fogelman	Huot	Lislegard	Perryman	Vang
Bennett	Franson	Hussein	Long	Petersburg	Virnig
Berg	Frazier	Igo	McDonald	Pfarr	West
Bierman	Frederick	Jacob	Mekeland	Pinto	Wiener
Bliss	Freiberg	Johnson	Moller	Pryor	Wiens
Brand	Garofalo	Jordan	Mueller	Pursell	Witte
Burkel	Gillman	Joy	Murphy	Quam	Wolgamott
Carroll	Gomez	Keeler	Myers	Rarick	Xiong
Cha	Greenman	Kiel	Nadeau	Rehm	Youakim
Clardy	Grossell	Klevorn	Nash	Reyer	Zelevnikar
Coulter	Hansen, R.	Knudsen	Nelson, M.	Robbins	Spk. Hortman
Curran	Hanson, J.	Koegel	Nelson, N.	Schomacker	
Davids	Harder	Kotyza-Witthuhn	Neu Brindley	Schultz	
Davis	Heintzeman	Kozlowski	Newton	Scott	

A quorum was present.

Daniels and Hudella were excused.

Hassan was excused until 12:00 noon. Anderson, P. E., was excused until 3:55 p.m. O'Driscoll was excused until 7:55 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.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Fischer introduced:

H. F. No. 5479, A bill for an act relating to horse racing; providing for the conduct of advance deposit wagering, card playing, and pari-mutuel betting; prohibiting the authorization of historical horse racing and other games; providing definitions; making clarifying and conforming changes; 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.

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

Wolgamott and Huot introduced:

H. F. No. 5480, A bill for an act relating to public safety; modifying crime of fleeing peace officer in motor vehicle to add heightened penalty for fleeing in culpably negligent manner; establishing crime of fleeing in motor vehicle and failing to obey certain traffic laws; authorizing the expanded use of tracking devices for fleeing motor vehicles; amending Minnesota Statutes 2022, sections 171.174; 609.487, subdivision 5, by adding subdivisions; 609B.205; 626A.35, by adding a subdivision.

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

## 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. 3911, A bill for an act relating to state government; modifying disposition of certain state property; modifying remedies, penalties, and enforcement; providing for boat wrap product stewardship; providing for compliance protocols for certain air pollution facilities; providing for recovery of certain state and county costs; establishing certain priorities in environmental regulation; prohibiting certain mercury-containing lighting; establishing and modifying grant and rebate programs; modifying snowmobile requirements; modifying use of state lands; providing for tree planting; extending Mineral Coordinating Committee; providing for gas and oil exploration and production leases and permits on state-owned land; modifying game and fish laws; modifying Water Law; establishing Packaging Waste and Cost Reduction Act; providing for domestic hog control; modifying fur farm provisions; modifying pesticide and fertilizer regulation; modifying agricultural development provisions; creating task force; classifying data; providing criminal penalties; requiring studies and reports; requiring rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 13.7931, by adding a subdivision; 16A.125, subdivision 5; 18B.01, by adding a subdivision; 18C.005, by adding a subdivision; 21.81, by adding a subdivision; 84.027, subdivision 12; 84.0895, subdivision 1; 84.871; 84.943, subdivision 5, by adding a subdivision; 88.82;

89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 93.25, subdivisions 1, 2; 97A.015, by adding a subdivision; 97A.105; 97A.341, subdivisions 1, 2, 3; 97A.345; 97A.425, subdivision 4, by adding a subdivision; 97A.475, subdivisions 2, 3; 97A.505, subdivision 8; 97A.512; 97A.56, subdivisions 1, 2, by adding a subdivision; 97B.001, by adding a subdivision; 97B.022, subdivisions 2, 3; 97B.516; 97C.001, subdivision 2; 97C.005, subdivision 2; 97C.395, as amended; 97C.411; 103B.101, subdivisions 12, 12a; 103F.211, subdivision 1; 103F.48, subdivision 7; 103G.005, subdivision 15; 103G.315, subdivision 15; 115.071, subdivisions 1, 3, 4, by adding subdivisions; 115A.02; 115A.03, by adding a subdivision; 115A.5502; 115B.421; 116.07, subdivision 9, by adding subdivisions; 116.072, subdivisions 2, 5; 116.11; 116.92, by adding a subdivision; 116D.02, subdivision 2; 473.845, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 17.457, as amended; 21.86, subdivision 2; 41A.30, subdivision 1; 97B.071; 103B.104; 103F.06, by adding a subdivision; 103G.301, subdivision 2; 115.03, subdivision 1; 116P.09, subdivision 6; 116P.18; Laws 2023, chapter 60, article 1, section 3, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 84; 86B; 93; 97A; 97C; 103F; 115A; 116; 473; repealing Minnesota Statutes 2022, sections 17.353; 84.033, subdivision 3; 97B.802; 115A.5501.

The Senate has 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. 5237, A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, the Read Act, American Indian education, teachers, charter schools, special education, school facilities, school nutrition and libraries, early childhood education, and state agencies; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 13.321, by adding a subdivision; 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124D.093, subdivisions 3, 4, 5; 124D.19, subdivision 8; 124D.957, subdivision 1; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.45, subdivisions 12, 13, 14a; 127A.51; Minnesota Statutes 2023 Supplement, sections 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 2, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 2, by adding subdivisions; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.151, subdivision 6; 124D.165, subdivisions 3, 6; 124D.42, subdivision 8; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.98, subdivision 5; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13, 18a; 127A.21; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 8; article 2, section 64, subdivisions 2, as amended, 6, as amended, 9, 14, 16, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 10, 12, 13, 15, 16; 65, subdivisions 3, 6, 7; article 7, section 18, subdivision 4, as amended; article 8, section 19, subdivisions 5, 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; repealing Laws 2023, chapter 55, article 10, section 4.

The Senate has 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:

S. F. No. 716.

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. 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.

May 17, 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. 716 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. 716 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[260.61] CITATION.**

Sections 260.61 to 260.693 may be cited as the "Minnesota African American Family Preservation and Child Welfare Disproportionality Act."

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 2. **[260.62] PURPOSES.**

(a) The purposes of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act are to:

(1) protect the best interests of African American and disproportionately represented children;

(2) promote the stability and security of African American and disproportionately represented children and their families by establishing minimum standards to prevent the arbitrary and unnecessary removal of African American and disproportionately represented children from their families; and

(3) improve permanency outcomes, including family reunification, for African American and disproportionately represented children.

(b) Nothing in this legislation is intended to interfere with the protections of the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963, or the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835. The federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act apply in any child placement proceeding, as defined in section 260.755, subdivision 3, involving an Indian child, as defined in section 260.755, subdivision 8.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 3. **[260.63] DEFINITIONS.**

**Subdivision 1. Scope.** The definitions in this section apply to sections 260.61 to 260.693.

**Subd. 2. Active efforts.** "Active efforts" means a rigorous and concerted level of effort that the responsible social services agency must continuously make throughout the time that the responsible social services agency is involved with an African American or a disproportionately represented child and the child's family. To provide active efforts to preserve an African American or a disproportionately represented child's family, the responsible social services agency must continuously involve an African American or a disproportionately represented child's family in all services for the family, including case planning and choosing services and providers, and inform the family of the ability to file a report of noncompliance with this act with the commissioner through the child welfare compliance and feedback portal. When providing active efforts, a responsible social services agency must consider an African American or a disproportionately represented child's family's social and cultural values at all times while providing services to the African American or disproportionately represented child and the child's family. Active efforts includes continuous efforts to preserve an African American or a disproportionately represented child's family and to prevent the out-of-home placement of an African American or a disproportionately represented child. If an African American or a disproportionately represented child enters out-of-home placement, the responsible social services agency must make active efforts to reunify the African American or disproportionately represented child with the child's family as soon as possible. Active efforts sets a higher standard for the responsible social services agency than reasonable efforts to preserve the child's family, prevent the child's out-of-home placement, and reunify the child with the child's family. Active efforts includes the provision of reasonable efforts as required by Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 679c.

**Subd. 3. Adoptive placement.** "Adoptive placement" means the permanent placement of an African American or a disproportionately represented child made by the responsible social services agency upon a fully executed adoption placement agreement, including the signatures of the adopting parent, the responsible social services agency, and the commissioner of human services according to section 260C.613, subdivision 1.

**Subd. 4. African American child.** "African American child" means a person under 18 years of age having origins in Africa, including a child of two or more races who has at least one parent with origins in Africa. Whether a child or parent has origins in Africa is based upon self-identification or identification of the child's origins by the parent or guardian.

**Subd. 5. Best interests of the African American or disproportionately represented child.** The "best interests of the African American or disproportionately represented child" means providing a culturally informed practice lens that acknowledges, utilizes, and embraces the African American or disproportionately represented child's community and cultural norms and allows the child to remain safely at home with the child's family. The best interests of the African American or disproportionately represented child support the child's sense of belonging to the child's family, extended family, kin, and cultural community.

Subd. 6. **Child placement proceeding.** (a) "Child placement proceeding" means any judicial proceeding that could result in:

- (1) an adoptive placement;
- (2) a foster care placement;
- (3) a preadoptive placement; or
- (4) a termination of parental rights.

(b) Judicial proceedings under this subdivision include a child's placement based upon a child's juvenile status offense but do not include a child's placement based upon:

- (1) an act which if committed by an adult would be deemed a crime; or
- (2) an award of child custody in a divorce proceeding to one of the child's parents.

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of human services or the commissioner's designee.

Subd. 8. **Custodian.** "Custodian" means any person who is under a legal obligation to provide care and support for an African American or a disproportionately represented child, or who is in fact providing daily care and support for an African American or a disproportionately represented child. This subdivision does not impose a legal obligation upon a person who is not otherwise legally obligated to provide a child with necessary food, clothing, shelter, education, or medical care.

Subd. 9. **Disproportionality.** "Disproportionality" means the overrepresentation of African American children and other disproportionately represented children in Minnesota's child welfare system population as compared to the representation of those children in Minnesota's total child population.

Subd. 10. **Disproportionately represented child.** "Disproportionately represented child" means a person who is under the age of 18 and who is a member of a community whose race, culture, ethnicity, disability status, or low-income socioeconomic status is disproportionately encountered, engaged, or identified in the child welfare system as compared to the representation in the state's total child population, as determined on an annual basis by the commissioner. A child's race, culture, or ethnicity is determined based upon a child's self-identification or identification of a child's race, culture, or ethnicity as reported by the child's parent or guardian.

Subd. 11. **Egregious harm.** "Egregious harm" has the meaning given in section 260E.03, subdivision 5.

Subd. 12. **Foster care placement.** "Foster care placement" means the temporary placement of an African American or a disproportionately represented child in foster care as defined in section 260C.007, subdivision 18, following the court-ordered removal of the child when the parent or legal custodian cannot have the child returned upon demand.

Subd. 13. **Imminent physical damage or harm.** "Imminent physical damage or harm" means that a child is threatened with immediate and present conditions that are life-threatening or likely to result in abandonment, sexual abuse, or serious physical injury. The existence of community or family poverty, isolation, single parenthood, age of the parent, crowded or inadequate housing, substance use, prenatal drug or alcohol exposure, mental illness, disability or special needs of the parent or child, or nonconforming social behavior does not by itself constitute imminent physical damage or harm.

Subd. 14. **Responsible social services agency.** "Responsible social services agency" has the meaning given in section 260C.007, subdivision 27a.

Subd. 15. **Parent.** "Parent" means the biological parent of an African American or a disproportionately represented child or any person who has legally adopted an African American or a disproportionately represented child. Parent includes an unmarried father whose paternity has been acknowledged or established and a putative father. Paternity has been acknowledged when an unmarried father takes any action to hold himself out as the biological father of a child.

Subd. 16. **Preadoptive placement.** "Preadoptive placement" means a responsible social services agency's placement of an African American or a disproportionately represented child when the child is under the guardianship of the commissioner for the purpose of adoption but an adoptive placement agreement for the child has not been fully executed.

Subd. 17. **Relative.** "Relative" has the meaning given in section 260C.007, subdivision 27.

Subd. 18. **Safety network.** "Safety network" means a group of individuals identified by the parent and child, when appropriate, that is accountable for developing, implementing, sustaining, supporting, or improving a safety plan to protect the safety and well-being of a child.

Subd. 19. **Sexual abuse.** "Sexual abuse" has the meaning given in section 260E.03, subdivision 20.

Subd. 20. **Termination of parental rights.** "Termination of parental rights" means an action resulting in the termination of the parent-child relationship under section 260C.301.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 4. **[260.64] DUTY TO PREVENT OUT-OF-HOME PLACEMENT AND PROMOTE FAMILY REUNIFICATION.**

Subdivision 1. **Active efforts.** A responsible social services agency shall make active efforts to prevent the out-of-home placement of an African American or a disproportionately represented child, eliminate the need for a child's removal from the child's home, and reunify an African American or a disproportionately represented child with the child's family as soon as practicable.

Subd. 2. **Safety plan.** (a) Prior to petitioning the court to remove an African American or a disproportionately represented child from the child's home under section 260.66, a responsible social services agency must work with the child's family to allow the child to remain in the child's home while implementing a safety plan based on the family's needs. The responsible social services agency must:

- (1) make active efforts to engage the child's parent or custodian and the child, when appropriate;
- (2) assess the family's cultural and economic needs and, if applicable, needs and services related to the child's disability;
- (3) hold a family group consultation meeting and connect the family with supports to establish a safety network for the family; and
- (4) provide support, guidance, and input to assist the family and the family's safety network with developing the safety plan.

(b) The safety plan must:

(1) address the specific allegations impacting the child's safety in the home. If neglect is alleged, the safety plan must incorporate economic services and supports for the child and the child's family, if eligible, to address the family's specific needs and prevent neglect;

(2) incorporate family and community support to ensure the child's safety while keeping the family intact; and

(3) be adjusted as needed to address the child's and family's ongoing needs and support.

(c) The responsible social services agency is not required to establish a safety plan:

(1) in a case with allegations of sexual abuse or egregious harm;

(2) when the parent is not willing to follow a safety plan;

(3) when the parent has abandoned the child or is unavailable to follow a safety plan; or

(4) when the parent has chronic substance use disorder issues and is unable to parent the child.

Subd. 3. **Out-of-home placement prohibited.** Unless the court finds by clear and convincing evidence that the child would be at risk of serious emotional damage or serious physical damage if the child were to remain in the child's home, a court shall not order a foster care or permanent out-of-home placement of an African American or a disproportionately represented child alleged to be in need of protection or services. At each hearing regarding an African American or a disproportionately represented child who is alleged or adjudicated to be in need of child protective services, the court shall review whether the responsible social services agency has provided active efforts to the child and the child's family and shall require the responsible social services agency to provide evidence and documentation that demonstrate that the agency is providing culturally informed, strength-based, community-involved, and community-based services to the child and the child's family.

Subd. 4. **Required findings that active efforts were provided.** When determining whether the responsible social services agency has made active efforts to preserve the child's family, the court shall make findings regarding whether the responsible social services agency made appropriate and meaningful services available to the child's family based upon the family's specific needs. If a court determines that the responsible social services agency did not make active efforts to preserve the family as required by this section, the court shall order the responsible social services agency to immediately provide active efforts to the child and child's family to preserve the family.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 5. **[260.641] ENSURING FREQUENT VISITATION FOR AFRICAN AMERICAN AND DISPROPORTIONATELY REPRESENTED CHILDREN IN OUT-OF-HOME PLACEMENT.**

A responsible social services agency must engage in best practices related to visitation when an African American or a disproportionately represented child is in out-of-home placement. When the child is in out-of-home placement, the responsible social services agency shall make active efforts to facilitate regular and frequent visitation between the child and the child's parents or custodians, the child's siblings, and the child's relatives. If visitation is infrequent between the child and the child's parents, custodians, siblings, or relatives, the responsible social services agency shall make active efforts to increase the frequency of visitation and address any barriers to visitation.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.



Sec. 6. **[260.65] NONCUSTODIAL PARENTS; RELATIVE PLACEMENT.**

(a) Prior to the removal of an African American or a disproportionately represented child from the child's home, the responsible social services agency must make active efforts to identify and locate the child's noncustodial or nonadjudicated parent and the child's relatives to notify the child's parent and relatives that the child is or will be placed in foster care, and provide the child's parent and relatives with a list of legal resources. The notice to the child's noncustodial or nonadjudicated parent and relatives must also include the information required under section 260C.221, subdivision 2, paragraph (b). The responsible social services agency must maintain detailed records of the agency's efforts to notify parents and relatives under this section.

(b) Notwithstanding the provisions of section 260C.219, the responsible social services agency must assess an African American or a disproportionately represented child's noncustodial or nonadjudicated parent's ability to care for the child before placing the child in foster care. If a child's noncustodial or nonadjudicated parent is willing and able to provide daily care for the African American or disproportionately represented child temporarily or permanently, the court shall order that the child be placed in the home of the noncustodial or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The responsible social services agency must make active efforts to assist a noncustodial or nonadjudicated parent with remedying any issues that may prevent the child from being placed with the noncustodial or nonadjudicated parent.

(c) The relative search, notice, engagement, and placement consideration requirements under section 260C.221 apply under this act.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 7. **[260.66] EMERGENCY REMOVAL.**

Subdivision 1. **Emergency removal or placement permitted.** Nothing in this section shall be construed to prevent the emergency removal of an African American or a disproportionately represented child's parent or custodian or the emergency placement of the child in a foster setting in order to prevent imminent physical damage or harm to the child.

Subd. 2. **Petition for emergency removal; placement requirements.** A petition for a court order authorizing the emergency removal or continued emergency placement of an African American or a disproportionately represented child or the petition's accompanying documents must contain a statement of the risk of imminent physical damage or harm to the African American or disproportionately represented child and any evidence that the emergency removal or placement continues to be necessary to prevent imminent physical damage or harm to the child. The petition or its accompanying documents must also contain the following information:

- (1) the name, age, and last known address of the child;
- (2) the name and address of the child's parents and custodians or, if unknown, a detailed explanation of efforts made to locate and contact them;
- (3) the steps taken to provide notice to the child's parents and custodians about the emergency proceeding;
- (4) a specific and detailed account of the circumstances that led the agency responsible for the emergency removal of the child to take that action; and
- (5) a statement of the efforts that have been taken to assist the child's parents or custodians so that the child may safely be returned to their custody.

**Subd. 3. 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 African American or disproportionately represented child. The court shall determine whether the emergency removal continues to be necessary to prevent imminent physical damage or harm to the child and whether, after considering the child's particular circumstances, the imminent physical damage or harm to the child outweighs the harm that the child will experience as a result of continuing the emergency removal.

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

(c) Notwithstanding section 260C.163, subdivision 3, and the provisions of Minnesota Rules of Juvenile Protection Procedure, rule 25, a parent or custodian of an African American or a disproportionately represented child who is subject to an emergency hearing under this section and Minnesota Rules of Juvenile Protection Procedure, rule 30, has a right to counsel appointed by the court. The court must appoint qualified counsel to represent a parent if the parent meets the eligibility requirements in section 611.17.

**Subd. 4. Termination of emergency removal or placement.** (a) An emergency removal or placement of an African American or a disproportionately represented child must immediately terminate once the responsible social services 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 child and the child shall be immediately returned to the custody of the child's parent or custodian. The responsible social services agency or court shall ensure that the emergency removal or placement terminates immediately when the removal or placement is no longer necessary to prevent imminent physical damage or harm to the African American or disproportionately represented child.

(b) An emergency removal or placement ends when the court orders, after service upon the African American or disproportionately represented child's parents or custodians, that the child shall be placed in foster care upon a determination supported by clear and convincing evidence that custody of the child by the child's parent or custodian is likely to result in serious emotional or physical damage to the child.

(c) In no instance shall emergency removal or emergency placement of an African American or a disproportionately represented 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 child; and

(2) it has not been possible to initiate a child placement proceeding with all of the protections under sections 260.61 to 260.68.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

**Sec. 8. [260.67] TRANSFER OF PERMANENT LEGAL AND PHYSICAL CUSTODY; TERMINATION OF PARENTAL RIGHTS; CHILD PLACEMENT PROCEEDINGS.**

Subdivision 1. **Preference for permanency placement with a relative.** Consistent with section 260C.513, if an African American or disproportionately represented child cannot be returned to the child's parent, permanency placement with a relative is preferred. The court shall consider the requirements of and responsibilities under section 260.012, paragraph (a), and, if possible and if requirements under section 260C.515, subdivision 4, are met, transfer permanent legal and physical custody of the child to:

(1) a noncustodial parent under section 260C.515, subdivision 4, if the child cannot return to the care of the parent or custodian from whom the child was removed or who had legal custody at the time that the child was placed in foster care; or

(2) a willing and able relative, according to the requirements of section 260C.515, subdivision 4. When the responsible social services agency is the petitioner, prior to the court ordering a transfer of permanent legal and physical custody to a relative, the responsible social services agency must inform the relative of Northstar kinship assistance benefits and eligibility requirements and of the relative's ability to apply for benefits on behalf of the child under chapter 256N.

Subd. 2. **Termination of parental rights restrictions.** (a) A court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child based solely on the parent's failure to complete case plan requirements.

(b) Except as provided in paragraph (c), a court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child in a child placement proceeding unless the allegations against the parent involve sexual abuse; egregious harm as defined in section 260C.007, subdivision 14; murder in the first, second, or third degree under section 609.185, 609.19, or 609.195; murder of an unborn child in the first, second, or third degree under section 609.2661, 609.2662, or 609.2663; manslaughter of an unborn child in the first or second degree under section 609.2664 or 609.2665; domestic assault by strangulation under section 609.2247; felony domestic assault under section 609.2242 or 609.2243; kidnapping under section 609.25; solicitation, inducement, and promotion of prostitution under section 609.322, subdivision 1, and subdivision 1a if one or more aggravating factors are present; criminal sexual conduct under sections 609.342 to 609.3451; engaging in, hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; solicitation of children to engage in sexual conduct under section 609.352; possession of pornographic work involving minors under section 617.247; malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378; use of a minor in sexual performance under section 617.246; or failing to protect a child from an overt act or condition that constitutes egregious harm.

Subd. 3. **Termination of parental rights; exceptions.** (a) The court may terminate the parental rights of a parent of an African American or a disproportionately represented child if a transfer of permanent legal and physical custody under subdivision 1 is not possible because the child has no willing or able noncustodial parent or relative to whom custody can be transferred, if it finds that one or more of the following conditions exist:

(1) that the parent has abandoned the child;

(2) 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;

(3) that following the child's placement out of the home, active efforts, under the direction of the court, have failed to correct the conditions leading to the child's placement. It is presumed that active 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 that 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) active efforts have been made by the responsible social services agency to rehabilitate the parent and reunite the family; and

(4) that a child has experienced egregious harm in the parent's care 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 interests of the child or of any child to be in the parent's care.

(b) For purposes of paragraph (a), clause (1), abandonment is presumed when:

(1) the parent has had no contact with the child on a regular basis and has not demonstrated consistent interest in the child's well-being for six months and the social services agency has made active efforts to facilitate contact with the parent, unless the parent establishes that an extreme financial or physical hardship or treatment for mental disability or substance use disorder or other good cause prevented the parent from making contact with the child. This presumption does not apply to children whose custody has been determined under chapter 257 or 518; or

(2) the child is an infant under two years of age and has been deserted by the parent under circumstances that show an intent not to return to care for the child.

Subd. 4. **Voluntary termination of parental rights.** Nothing in subdivisions 2 and 3 precludes the court from terminating the parental rights of a parent of an African American or a disproportionately represented child if the parent desires to voluntarily terminate the parent's own parental rights for good cause under section 260C.301, subdivision 1, paragraph (a).

Subd. 5. **Appeals.** Notwithstanding the Minnesota Rules of Juvenile Protection Procedure, rule 47.02, subdivision 2, a parent of an African American or a disproportionately represented child whose parental rights have been terminated may appeal the decision within 90 days of the service of notice by the court administrator of the filing of the court's order.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 9. **[260.68] RESPONSIBLE SOCIAL SERVICES AGENCY CONDUCT AND CASE REVIEW.**

Subdivision 1. **Responsible social services agency conduct.** (a) A responsible social services agency employee who has duties related to child protection shall not knowingly:

(1) make untrue statements about any case involving a child alleged to be in need of protection or services;

(2) intentionally withhold any information that may be material to a case involving a child alleged to be in need of protection or services; or

(3) fabricate or falsify any documentation or evidence relating to a case involving a child alleged to be in need of protection or services.

(b) Any of the actions listed in paragraph (a) shall constitute grounds for adverse employment action.

Subd. 2. **Case review.** (a) Each responsible social services agency shall conduct a review of all child welfare cases for African American and other disproportionately represented children handled by the agency. Each responsible social services agency shall create a summary report of trends identified under paragraphs (b) and (c), a remediation plan as provided in paragraph (d), and an update on implementation of any previous remediation plans. The first report shall be provided to the African American Child Well-Being Advisory Council, the commissioner, and the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare by October 1, 2029, and annually thereafter. For purposes of determining outcomes in this subdivision, responsible social services agencies shall use guidance from the commissioner. The commissioner shall provide guidance starting on November 1, 2028, and annually thereafter.

(b) The case review must include:

(1) the number of African American and disproportionately represented children represented in the county child welfare system;

(2) the number and sources of maltreatment reports received and reports screened in for investigation or referred for family assessment and the race of the children and parents or custodians involved in each report;

(3) the number and race of children and parents or custodians who receive in-home preventive case management services;

(4) the number and race of children whose parents or custodians are referred to community-based, culturally appropriate, strength-based, or trauma-informed services;

(5) the number and race of children removed from their homes;

(6) the number and race of children reunified with their parents or custodians;

(7) the number and race of children whose parents or custodians are offered family group decision-making services;

(8) the number and race of children whose parents or custodians are offered the parent support outreach program;

(9) the number and race of children in foster care or out-of-home placement at the time that the data is gathered;

(10) the number and race of children who achieve permanency through a transfer of permanent legal and physical custody to a relative or an adoption; and

(11) the number and race of children who are under the guardianship of the commissioner or awaiting a permanency disposition.

(c) The required case review must also:

(1) identify barriers to reunifying children with their families;

(2) identify the family conditions that led to the out-of-home placement;

(3) identify any barriers to accessing culturally informed mental health or substance use disorder treatment services for the parents or children;

(4) document efforts to identify fathers and maternal and paternal relatives and to provide services to custodial and noncustodial fathers, if appropriate; and

(5) document and summarize court reviews of active efforts.

(d) Any responsible social services agency that has a case review showing disproportionality and disparities in child welfare outcomes for African American and other disproportionately represented children and the children's families, compared to the agency's overall outcomes, must include in their case review summary report a remediation plan with measurable outcomes to identify, address, and reduce the factors that led to the disproportionality and disparities in the agency's child welfare outcomes. The remediation plan shall also include information about how the responsible social services agency will achieve and document trauma-informed, positive child well-being outcomes through remediation efforts.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

**Sec. 10. [260.69] CULTURAL COMPETENCY TRAINING FOR INDIVIDUALS WORKING WITH AFRICAN AMERICAN AND DISPROPORTIONATELY REPRESENTED CHILDREN.**

Subdivision 1. **Applicability.** The commissioner of human services must collaborate with the Children's Justice Initiative to ensure that cultural competency training is given to individuals working in the child welfare system, including child welfare workers and supervisors. Training must also be made available to attorneys, juvenile court judges, and family law judges.

Subd. 2. **Training.** (a) The commissioner must develop training content and establish the frequency of trainings for child welfare workers and supervisors.

(b) The cultural competency training under this section is required prior to or within six months of beginning work with any African American or disproportionately represented child and their family. A responsible social services agency staff person who is unable to complete the cultural competency training prior to working with African American or disproportionately represented children and their families must work with a qualified staff person within the agency who has completed cultural competency training until the person is able to complete the required training. The training must be available by January 1, 2027, and must:

(1) be provided by an African American individual or individual from a community that is disproportionately represented in the child welfare system who is knowledgeable about African American and other disproportionately represented social and cultural norms and historical trauma;

(2) raise awareness and increase a person's competency to value diversity, conduct a self-assessment, manage the dynamics of difference, acquire cultural knowledge, and adapt to diversity and the cultural contexts of communities served;

(3) include instruction on effectively developing a safety plan and instruction on engaging a safety network; and

(4) be accessible and comprehensive and include the ability to ask questions.

(c) The training may be provided in a series of segments, either in person or online.

Subd. 3. **Update.** The commissioner must provide an update to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection by January 1, 2028, on the rollout of the training under subdivision 1 and the content and accessibility of the training under subdivision 2.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 11. **[260.691] AFRICAN AMERICAN CHILD WELL-BEING ADVISORY COUNCIL.**

Subdivision 1. **Duties.** The African American Child Well-Being Advisory Council must:

(1) review annual reports related to African American children involved in the child welfare system. These reports may include but are not limited to the maltreatment, out-of-home placement, and permanency of African American children;

(2) assist with and make recommendations to the commissioner for developing strategies to reduce maltreatment determinations, prevent unnecessary out-of-home placement, promote culturally appropriate foster care and shelter or facility placement decisions and settings for African American children in need of out-of-home placement, ensure timely achievement of permanency, and improve child welfare outcomes for African American children and their families;

(3) review summary reports on targeted case reviews prepared by the commissioner to ensure that responsible social services agencies meet the needs of African American children and their families. Based on data collected from those reviews, the council shall assist the commissioner with developing strategies needed to improve any identified child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency for African American children;

(4) assist the Cultural and Ethnic Communities Leadership Council with making recommendations to the commissioner and the legislature for public policy and statutory changes that specifically consider the needs of African American children and their families involved in the child welfare system;

(5) advise the commissioner on stakeholder engagement strategies and actions that the commissioner and responsible social services agencies may take to improve child welfare outcomes for African American children and their families;

(6) assist the commissioner with developing strategies for public messaging and communication related to racial disproportionality and disparities in child welfare outcomes for African American children and their families;

(7) assist the commissioner with identifying and developing internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(8) assist the commissioner with developing strategies to promote the development of a culturally diverse and representative child welfare workforce in Minnesota that includes professionals who are reflective of the community served and who have been directly impacted by lived experiences within the child welfare system. The council must also assist the commissioner with exploring strategies and partnerships to address education and training needs, hiring, recruitment, retention, and professional advancement practices.

Subd. 2. **Annual report.** By January 1, 2026, and annually thereafter, the council shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection on the council's activities under subdivision 1 and other issues on which the council chooses to report. The report may include recommendations for statutory changes to improve the child protection system and child welfare outcomes for African American children and families.

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

Sec. 12. **[260.692] AFRICAN AMERICAN CHILD WELL-BEING UNIT.**

Subdivision 1. **Duties.** The African American Child Well-Being Unit, currently established by the commissioner, must:

(1) assist with the development of African American cultural competency training and review child welfare curriculum in the Minnesota Child Welfare Training Academy to ensure that responsible social services agency staff and other child welfare professionals are appropriately prepared to engage with African American children and their families and to support family preservation and reunification;

(2) provide technical assistance, including on-site technical assistance, and case consultation to responsible social services agencies to assist agencies with implementing and complying with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act;

(3) monitor individual county and statewide disaggregated and nondisaggregated data to identify trends and patterns in child welfare outcomes, including but not limited to reporting, maltreatment, out-of-home placement, and permanency of African American children and develop strategies to address disproportionality and disparities in the child welfare system;

(4) develop and implement a system for conducting case reviews when the commissioner receives reports of noncompliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act or when requested by the parent or custodian of an African American child. Case reviews may include but are not limited to a review of placement prevention efforts, safety planning, case planning and service provision by the responsible social services agency, relative placement consideration, and permanency planning;

(5) establish and administer a request for proposals process for African American and disproportionately represented family preservation grants under section 260.693, monitor grant activities, and provide technical assistance to grantees;

(6) in coordination with the African American Child Well-Being Advisory Council, coordinate services and create internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(7) develop public messaging and communication to inform the public about racial disparities in child welfare outcomes, current efforts and strategies to reduce racial disparities, and resources available to African American children and their families involved in the child welfare system.

Subd. 2. **Case reviews.** (a) The African American Child Well-Being Unit must conduct systemic case reviews to monitor targeted child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency of African American children.



(b) The reviews under this subdivision must be conducted using a random sampling of representative child welfare cases stratified for certain case related factors, including but not limited to case type, maltreatment type, if the case involves out-of-home placement, and other demographic variables. In conducting the reviews, unit staff may use court records and documents, information from the social services information system, and other available case file information to complete the case reviews.

(c) The frequency of the reviews and the number of cases, child welfare outcomes, and selected counties reviewed shall be determined by the unit in consultation with the African American Child Well-Being Advisory Council, with consideration given to the availability of unit resources needed to conduct the reviews.

(d) The unit must monitor all case reviews and use the collective case review information and data to generate summary case review reports, ensure compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, and identify trends or patterns in child welfare outcomes for African American children.

(e) The unit must review information from members of the public received through the compliance and feedback portal, including policy and practice concerns related to individual child welfare cases. After assessing a case concern, the unit may determine if further necessary action should be taken, which may include coordinating case remediation with other relevant child welfare agencies in accordance with data privacy laws, including the African American Child Well-Being Advisory Council, and offering case consultation and technical assistance to the responsible local social services agency as needed or requested by the agency.

Subd. 3. **Reports.** (a) The African American Child Well-Being Unit must provide regular updates on unit activities, including summary reports of case reviews, to the African American Child Well-Being Advisory Council, and must publish an annual census of African American children in out-of-home placements statewide. The annual census must include data on the types of placements, age and sex of the children, how long the children have been in out-of-home placements, and other relevant demographic information.

(b) The African American Child Well-Being Unit shall gather summary data about the practice and policy inquiries and individual case concerns received through the compliance and feedback portal under subdivision 2, paragraph (e). The unit shall provide regular reports of the nonidentifying compliance and feedback portal summary data to the African American Child Well-Being Advisory Council to identify child welfare trends and patterns to assist with developing policy and practice recommendations to support eliminating disparity and disproportionality for African American children.

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

**Sec. 13. [260.693] AFRICAN AMERICAN AND DISPROPORTIONATELY REPRESENTED FAMILY PRESERVATION GRANTS.**

Subdivision 1. **Primary support grants.** The commissioner shall establish direct grants to organizations, service providers, and programs owned and led by African Americans and other individuals from communities disproportionately represented in the child welfare system to provide services and support for African American and disproportionately represented children and their families involved in Minnesota's child welfare system, including supporting existing eligible services and facilitating the development of new services and providers, to create a more expansive network of service providers available for African American and disproportionately represented children and their families.

Subd. 2. **Eligible services.** (a) Services eligible for grants under this section include but are not limited to:

(1) child out-of-home placement prevention and reunification services;

(2) family-based services and reunification therapy;

(3) culturally specific individual and family counseling;

(4) court advocacy;

(5) training for and consultation to responsible social services agencies and private social services agencies regarding this act;

(6) development and promotion of culturally informed, affirming, and responsive community-based prevention and family preservation services that target the children, youth, families, and communities of African American and African heritage experiencing the highest disparities, disproportionality, and overrepresentation in the Minnesota child welfare system;

(7) culturally affirming and responsive services that work with children and families in their communities to address their needs and ensure child and family safety and well-being within a culturally appropriate lens and framework;

(8) services to support informal kinship care arrangements; and

(9) other activities and services approved by the commissioner that further the goals of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, including but not limited to the recruitment of African American staff and staff from other communities disproportionately represented in the child welfare system to work for responsible social services agencies and licensed child-placing agencies.

(b) The commissioner may specify the priority of an activity and service based on its success in furthering these goals. The commissioner shall give preference to programs and service providers that are located in or serve counties with the highest rates of child welfare disproportionality for African American and other disproportionately represented children and their families and employ staff who represent the population primarily served.

Subd. 3. **Ineligible services.** Grant money may not be used to supplant funding for existing services or for the following purposes:

(1) child day care that is necessary solely because of the employment or training for employment of a parent or another relative with whom the child is living;

(2) foster care maintenance or difficulty of care payments;

(3) residential treatment facility payments;

(4) adoption assistance or Northstar kinship assistance payments under chapter 259A or 256N;

(5) public assistance payments for Minnesota family investment program assistance, supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services; or

(6) administrative costs for income maintenance staff.

Subd. 4. **Requests for proposals.** The commissioner shall request proposals for grants under subdivisions 1, 2, and 3 and specify the information and criteria required.

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

Sec. 14. Minnesota Statutes 2022, section 260C.329, subdivision 3, is amended to read:

Subd. 3. **Petition.** The county attorney ~~or~~ a parent whose parental rights were terminated under a previous order of the court, a child who is ten years of age or older, the responsible social services agency, or a guardian ad litem may file a petition for the reestablishment of the legal parent and child relationship. A parent filing a petition under this section shall pay a filing fee in the amount required under section 357.021, subdivision 2, clause (1). The filing fee may be waived pursuant to chapter 563. A petition for the reestablishment of the legal parent and child relationship may be filed when:

~~(1) in cases where the county attorney is the petitioning party, both the responsible social services agency and the county attorney agree that reestablishment of the legal parent and child relationship is in the child's best interests;~~

~~(2)~~ (1) the parent has corrected the conditions that led to an order terminating parental rights;

~~(3)~~ (2) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child;

~~(4)~~ (3) the child has been in foster care for at least ~~48~~ 24 months after the court issued the order terminating parental rights;

~~(5)~~ (4) the child has not been adopted; and

~~(6)~~ (5) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 15. Minnesota Statutes 2022, section 260C.329, subdivision 8, is amended to read:

Subd. 8. **Hearing.** The court may grant the petition ordering the reestablishment of the legal parent and child relationship only if it finds by clear and convincing evidence that:

(1) reestablishment of the legal parent and child relationship is in the child's best interests;

(2) the child has not been adopted;

(3) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2;

(4) at least ~~48~~ 24 months have elapsed following a final order terminating parental rights and the child remains in foster care;

(5) the child desires to reside with the parent;

(6) the parent has corrected the conditions that led to an order terminating parental rights; and

(7) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 16. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; DISAGGREGATE DATA.**

The commissioner of human services must establish a process to improve the disaggregation of data to monitor child welfare outcomes for African American and other disproportionately represented children in the child welfare system. The commissioner must begin disaggregating data by January 1, 2027.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 17. **CHILD WELFARE COMPLIANCE AND FEEDBACK PORTAL.**

The commissioner of human services shall develop, maintain, and administer a publicly accessible online compliance and feedback portal to receive reports of noncompliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act under Minnesota Statutes, sections 260.61 to 260.693, and other statutes related to child maltreatment, safety, and placement. Reports received through the portal must be transferred for review and further action to the appropriate unit or department within the Department of Human Services, including but not limited to the African American Child Well-Being Unit.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 18. **DIRECTION TO COMMISSIONER; MAINTAINING CONNECTIONS IN FOSTER CARE BEST PRACTICES.**

The commissioner of human services shall develop and publish guidance on best practices for ensuring that African American and disproportionately represented children in foster care maintain connections and relationships with their parents, custodians, and extended relatives. The commissioner shall also develop and publish best practice guidance on engaging and assessing noncustodial and nonadjudicated parents to care for their African American or disproportionately represented children who cannot remain with the children's custodial parents.

**EFFECTIVE DATE.** This section is effective January 1, 2027, except as provided under section 20.

Sec. 19. **DIRECTION TO COMMISSIONER; COMPLIANCE SYSTEM REVIEW DEVELOPMENT.**

(a) By January 1, 2026, the commissioner of human services, in consultation with counties and the working group established under section 21, must develop a system to review county compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. The system may include but is not limited to the cases to be reviewed, the criteria to be reviewed to demonstrate compliance, the rate of noncompliance and the coordinating penalty, the program improvement plan, and training.

(b) By January 1, 2026, the commissioner of human services must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare on the proposed compliance system review process and language to codify that process in statute.

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

Sec. 20. **MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT; PHASE-IN PROGRAM.**

(a) The commissioner of human services must establish a phase-in program that implements sections 1 to 17 in Hennepin and Ramsey Counties. The commissioner may allow additional counties to participate in the phase-in program upon the request of the counties.

(b) The commissioner of human services must report on the outcomes of the phase-in program, including the number of participating families, the rate of children in out-of-home placement, and the measures taken to prevent out-of-home placement for each participating family, to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare.

(c) Sections 1 to 17 are effective January 1, 2025, for purposes of this phase-in program. Case review reports under section 9, subdivision 2, must be provided beginning January 1, 2026.

(d) This section expires July 1, 2027.

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

**Sec. 21. MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT; WORKING GROUP.**

(a) The commissioner of human services must establish a working group to provide guidance and oversight for the Minnesota African American Family Preservation and Child Welfare Disproportionality Act phase-in program.

(b) The members of the working group must include representatives from the Minnesota Association of County Social Service Administrators, the Association of Minnesota Counties, the Minnesota Inter-County Association, the Minnesota County Attorneys Association, Hennepin County, Ramsey County, the Department of Human Services, and community organizations with experience in child welfare. The legislature may provide recommendations to the commissioner on the selection of the representatives from the community organizations.

(c) The working group must provide oversight of the phase-in program and evaluate the cost of the phase-in program. The working group must also assess future costs of implementing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act statewide.

(d) By January 1, 2026, the working group must develop and submit an interim report to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare detailing initial needs for the implementation of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. The interim report must also include recommendations for any statutory or policy changes necessary to implement the act.

(e) By September 1, 2026, the working group must develop an implementation plan and best practices for the Minnesota African American Family Preservation and Child Welfare Disproportionality Act to go into effect statewide.

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

**Sec. 22. APPROPRIATIONS; MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT.**

(a) \$5,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for grants to Hennepin and Ramsey Counties to implement the Minnesota African American Family Preservation and Child Welfare Disproportionality Act phase-in program. Of this amount, \$2,500,000 must be provided to Hennepin County and \$2,500,000 must be provided to Ramsey County. This is a onetime appropriation and is available until June 30, 2026.

(b) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for the African American and disproportionately represented family preservation grant program under Minnesota Statutes, section 260.693. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is \$0.

(c) \$2,367,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services to implement the African American Family Preservation and Child Welfare Disproportionality Act. The base for this appropriation is \$3,251,000 in fiscal year 2026 and \$3,110,000 in fiscal year 2027."

Delete the title and insert:

"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."

We request the adoption of this report and repassage of the bill.

Senate Conferees: BOBBY JOE CHAMPION, CLARE OUMOU VERBETEN and JIM ABELER.

House Conferees: ESTHER AGBAJE, WALTER HUDSON and ATHENA HOLLINS.

Agbaje moved that the report of the Conference Committee on S. F. No. 716 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 716, A bill for an act relating to human services; establishing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; modifying child welfare provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, section 260C.329, subdivisions 3, 8; proposing coding for new law in Minnesota Statutes, chapter 260.

The bill was read for the 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 117 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Acomb	Bierman	Demuth	Garofalo	Hornstein	Koegel
Agbaje	Bliss	Dotseth	Gomez	Howard	Kotzya-Witthuhn
Altendorf	Brand	Edelson	Greenman	Hudson	Kozlowski
Anderson, P. H.	Burkel	Elkins	Hansen, R.	Huot	Koznick
Backer	Carroll	Engen	Hanson, J.	Hussein	Kraft
Bahner	Cha	Feist	Harder	Igo	Kresha
Bakeberg	Clardy	Finke	Hemmingsen-Jaeger	Jacob	Lawrence
Baker	Coulter	Fischer	Her	Jordan	Lee, F.
Becker-Finn	Curran	Frazier	Hicks	Joy	Lee, K.
Bennett	Davids	Frederick	Hill	Klevorn	Liebling
Berg	Davis	Freiberg	Hollins	Knudsen	Lillie

Lislegard	Nelson, M.	Pelowski	Rarick	Stephenson	Witte
Long	Nelson, N.	Pérez-Vega	Rehm	Swedzinski	Wolgamott
McDonald	Newton	Perryman	Reyer	Tabke	Xiong
Moller	Niska	Petersburg	Robbins	Torkelson	Youakim
Mueller	Noor	Pfarr	Schomacker	Urdahl	Zelevnikar
Murphy	Norris	Pinto	Scott	Vang	Spk. Hortman
Myers	Novotny	Pryor	Sencer-Mura	Virnig	
Nadeau	Olson, B.	Pursell	Skraba	Wiener	
Nash	Olson, L.	Quam	Smith	Wiens	

Those who voted in the negative were:

Heintzeman	Johnson	Mekeland	Neu Brindley	Schultz
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The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

S. F. No. 4027, A bill for an act relating to economic development; making policy and technical changes to programs under the Department of Employment and Economic Development; requiring reports; amending Minnesota Statutes 2022, sections 116J.435, subdivisions 3, 4; 116J.5492, subdivision 2; 116J.8748, subdivision 1; 116M.18; 268A.11; 446A.072, subdivision 5a; 446A.073, subdivision 1; Minnesota Statutes 2023 Supplement, sections 116J.682, subdivisions 1, 3, 4; 116J.8733; 116J.8748, subdivisions 3, 4, 6; 116L.17, subdivision 1; Laws 2023, chapter 53, article 15, sections 32, subdivision 6; 33, subdivisions 4, 5; repealing Minnesota Statutes 2022, sections 116J.435, subdivision 5; 116L.17, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; RIDESHARE DRIVERS FUND PROGRAM.**

(a) \$2,000,000 in fiscal year 2025 is appropriated from the workforce development fund to the commissioner of employment and economic development for a rideshare drivers fund program. This appropriation is onetime.

(b) The definitions in Minnesota Statutes, section 65B.472, subdivision 1, apply to this section.

(c) A rideshare drivers fund program is established to make loans to TNC drivers to purchase a personal vehicle for the purposes of providing rideshare services. The commissioner of employment and economic development must award grants to community development financial institutions or comparable nonprofit corporations for the grantees to make loans to TNC drivers.

(d) To qualify for a loan under this section, a TNC driver must:

(1) have been a TNC driver for at least one year prior to the loan application;

(2) have a household income that does not exceed \$80,000;

(3) demonstrate ability to repay the loan;

(4) agree to maintain all legally required vehicle insurance, including personal liability insurance, on the personal vehicle purchased with the loan;

(5) agree to keep vehicle registration current on the vehicle purchased with the loan; and

(6) agree to any other terms set by the lender.

(e) The rideshare drivers fund program account is created as an account in the special revenue fund. The commissioner of employment and economic development may exercise the powers in Minnesota Statutes, section 116J.035, subdivision 6, for the purposes of this section, and any gifts, grants, or loans received must be deposited in the rideshare drivers fund program account. Funds in the rideshare drivers fund program account are appropriated to the commissioner of employment and economic development for grants under this section.

(f) A grantee under this section may use up to ten percent of the grant for administrative costs. Loans must be zero interest and no more than \$15,000, except that a loan for a wheelchair-accessible vehicle may be up to \$20,000. Loans must have no prepayment penalties and must have flexible collateral requirements compared to traditional loans. Loans must be for no shorter than six months and no longer than five years. A grantee may set loan terms, subject to approval by the commissioner of employment and economic development. Repayment on any loans must be paid by the grantee to the commissioner of employment and economic development for deposit in the rideshare drivers fund program account."

Delete the title and insert:

"A bill for an act relating to labor; appropriating money for a rideshare drivers fund program."

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. 4027 was read for the second time.

The following Conference Committee Report was received:

### CONFERENCE COMMITTEE REPORT ON H. F. No. 4757

A bill for an act relating to cannabis; transferring enforcement of edible cannabinoid products to the Office of Cannabis Management; clarifying workplace testing for cannabis; making technical changes related to the taxation of cannabis and related products; replacing medical cannabis licenses with endorsements; establishing a petition process to designate cannabinoids as nonintoxicating or approved for use in lower-potency hemp edibles; authorizing lower-potency hemp edibles to contain certain artificially derived cannabinoids created in making delta-9 tetrahydrocannabinol; allowing testing of certain hemp products to be performed by labs meeting accreditation standards regardless of licensing status; authorizing patients enrolled in the registry program to obtain cannabis flower from registered designated caregivers; authorizing registered designated caregivers to cultivate cannabis plants on behalf of patients enrolled in the registry program; authorizing the Office of Cannabis Management to



recall certain cannabis and related products; transferring the duties of the medical cannabis program to the Office of Cannabis Management on July 1, 2025; authorizing the appointment of deputy directors; clarifying the process for transfer of certain licenses; providing for license preapproval; removing the requirement that local governments perform certain inspections; removing the requirement that license applications be scored based on identified criteria and requiring that license applications be assessed based on certain minimum criteria; requiring employees of cannabis businesses to meet certain background check requirements; establishing social equity licenses; limiting the number of certain licenses that can be made available in an application period; providing for the conversion of a registration to sell certain hemp-derived products into a hemp business license; providing for a cannabis research license classification; authorizing the Office of Cannabis Management to adjust limits on cultivation area; permitting certain businesses to transport cannabis and related products between facilities operated by the business; replacing the prohibition on certain sales of lower-potency hemp products with a prohibition on selling to an obviously intoxicated person; providing for enforcement of unlicensed businesses engaging in activities that require a license; making technical and conforming changes; amending Minnesota Statutes 2022, sections 18K.03, by adding a subdivision; 152.22, subdivisions 11, 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.28, subdivision 2; 152.29, subdivision 3; Minnesota Statutes 2023 Supplement, sections 3.9224; 120B.215, subdivisions 1, 2, by adding a subdivision; 151.72, subdivisions 1, 2, 4, 5a, 5b, 6, 7; 152.28, subdivision 1; 152.30; 256B.0625, subdivision 13d; 290.0132, subdivision 29; 290.0134, subdivision 19; 295.81, subdivisions 1, 4; 297A.67, subdivision 2; 297A.70, subdivision 2; 342.01, subdivisions 3, 4, 12, 14, 16, 17, 19, 20, 48, 57, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 5, 6; 342.03, subdivision 1; 342.07, subdivision 3; 342.09, subdivisions 1, 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, subdivisions 1, 2, by adding a subdivision; 342.16; 342.17; 342.18, subdivisions 2, 3, by adding subdivisions; 342.19, subdivisions 1, 3, 4, 5; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding a subdivision; 342.29, subdivisions 1, 4; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivisions 1, 3; 342.44, subdivision 1; 342.46, subdivision 6; 342.51; 342.515; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.58; 342.60; 342.61, subdivisions 4, 5; 342.62, subdivision 3, by adding subdivisions; 342.63, subdivisions 2, 3, 4, 6; 342.64, subdivision 1; 342.70, subdivision 3; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, sections 10; 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 152.22, subdivision 3; 152.36; Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 52, 53, 54, 55; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; 342.52, subdivision 8; Laws 2023, chapter 63, article 7, sections 4; 6.

May 17, 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. 4757 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. 4757 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2023, chapter 63, article 9, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years

indicated for each purpose. The figures "2024" and "2025" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2024, are effective the day following final enactment.

<b><u>APPROPRIATIONS</u></b>		
<b><u>Available for the Year</u></b>		
	<b><u>Ending June 30</u></b>	
	<b><u>2024</u></b>	<b><u>2025</u></b>
Sec. 2. <b><u>OFFICE OF CANNABIS MANAGEMENT</u></b>	<b><u>\$-0-</u></b>	<b><u>\$5,531,000</u></b>
<b><u>Appropriations by Fund</u></b>		
	<b><u>2024</u></b>	<b><u>2025</u></b>
<u>General Fund</u>	<u>-0-</u>	<u>3,248,000</u>
<u>State Government</u>		
<u>Special Revenue Fund</u>	<u>-0-</u>	<u>2,283,000</u>

**(a) Enforcement of Temporary Regulations**

\$1,107,000 in fiscal year 2025 is for regulation of products subject to the requirements of Minnesota Statutes, section 151.72. This is a onetime appropriation.

**(b) Product Testing**

\$771,000 in fiscal year 2025 is for testing products regulated under Minnesota Statutes, section 151.72, and chapter 342. The base for this appropriation is \$690,000 in fiscal year 2026 and each year thereafter.

**(c) Reference Laboratory**

\$849,000 in fiscal year 2025 is to operate a state reference laboratory. The base for this appropriation is \$632,000 in fiscal year 2026 and \$696,000 in fiscal year 2027.

**(d) Medical Cannabis**

\$521,000 in fiscal year 2025 from the general fund and \$2,283,000 in fiscal year 2025 from the state government special revenue fund are for the operation of the medical cannabis program. These are onetime appropriations.

Sec. 3. **DEPARTMENT OF HEALTH**

**\$-0-**

**\$5,500,000**

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

Sec. 4. **DEPARTMENT OF COMMERCE****\$-0-****\$28,000**

\$28,000 in fiscal year 2025 is for the commissioner of commerce to administer and enforce Minnesota Statutes, section 325E.21, subdivision 2c. The base for this appropriation is \$75,000 in fiscal year 2026 and each year thereafter.

Sec. 5. **ATTORNEY GENERAL.**

The general fund base for the attorney general is increased by \$941,000 in fiscal year 2026 and \$701,000 in fiscal year 2027 to enforce the Minnesota Consumer Data Privacy Act under Minnesota Statutes, chapter 325O.

Sec. 6. Laws 2023, chapter 63, article 9, section 10, is amended to read:

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

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

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

Subd. 2. **Youth Prevention and Education Program****-0-****5,000,000  
4,363,000**

For ~~administration and~~ grants under Minnesota Statutes, section 144.197, subdivision 1. ~~Of the amount appropriated, \$2,863,000 is for program operations and administration and \$1,500,000 is for grants.~~ The base for this appropriation is \$4,534,000 in fiscal year 2026 and \$4,470,000 in fiscal year 2027.

Subd. 3. **Prevention and Education Grants for Pregnant or Breastfeeding Individuals****-0-****2,000,000  
1,788,000**

For ~~grants under~~ a coordinated prevention and education program for pregnant and breastfeeding individuals under Minnesota Statutes, section 144.197, subdivision 2. The base for this appropriation is \$1,834,000 beginning in fiscal year 2026.

Subd. 4. **Local and Tribal Health Departments****-0-****10,000,000**

For ~~administration and~~ grants under Minnesota Statutes, section 144.197, subdivision 4. ~~Of the amount appropriated, \$1,094,000 is for administration and \$8,906,000 is for grants.~~

**Subd. 5. Cannabis Data Collection and Biennial Reports**

493,000

493,000

For reports under Minnesota Statutes, section 144.196.

**Subd. 6. Administration for Expungement Orders**

71,000

71,000

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

**Subd. 7. Grants to the Minnesota Poison Control System**

910,000

810,000

For administration and grants under Minnesota Statutes, section 145.93. Of the amount appropriated in fiscal year 2025, \$15,000 is for administration and \$795,000 is for grants.

**Subd. 8. Temporary Regulation of Edible Products Extracted from Hemp**

1,107,000

~~1,107,000~~  
-0-

For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. The commissioner may transfer encumbrances and unobligated amounts to the Office of Cannabis Management for this purpose. This is a onetime appropriation.

**Subd. 9. Testing-**

719,000

~~771,000~~  
-0-

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

Sec. 7. Laws 2023, chapter 63, article 9, section 15, subdivision 4, is amended to read:

**Subd. 4. Office of Traffic and Safety**

11,485,000

6,117,000

(a) The base for this appropriation is \$5,000,000 in fiscal year 2026 and each fiscal year thereafter.

(b) \$10,000,000 the first year and \$5,000,000 the second year are for the drug evaluation and classification program for drug recognition evaluator training; additional phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); and required continuing education training for drug recognition experts, program administration, grants to local law enforcement divisions, and making grants to eligible employers for drug evaluation and classification training costs of their staff. The commissioner must

make reasonable efforts to reflect the geographic diversity of the state in making expenditures under this appropriation. This appropriation is available until June 30, 2027.

(c) \$1,485,000 the first year and \$1,117,000 the second year are for a roadside testing pilot project. These are onetime appropriations.

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

Sec. 8. Laws 2023, chapter 63, article 9, section 19, is amended to read:

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

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

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

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

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

**Sec. 20. TRANSFERS.**

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

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

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

ARTICLE 2  
CANNABIS POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 3.9224, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Medical cannabis law" or "medical cannabis program" means the regulatory framework for cultivation, production, distribution, and sale of cannabis to qualifying patients for therapeutic use in the treatment of a qualifying condition.

(c) "Medical cannabis flower" means cannabis flower approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(d) "Medical cannabis product" means a cannabis product approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(e) "Medical cannabis business" means a ~~medical cannabis cultivator, processor, or retailer~~ business with a medical cannabis endorsement.

(f) "Medical cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to medical cannabis flower or medical cannabis products and subject to regulation under the law of a Minnesota Tribal government or under a compact entered into under this section.

(g) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids, whether artificially derived, or extracted or derived from cannabis plants or cannabis flower, including but not limited to tetrahydrocannabinol; or

(3) any other product that contains cannabis concentrate.

(h) "Minnesota Tribal governments" means the following federally recognized Indian Tribes located in Minnesota:

(1) Bois Forte Band;

(2) Fond Du Lac Band;

(3) Grand Portage Band;

(4) Leech Lake Band;

(5) Mille Lacs Band;

(6) White Earth Band;

(7) Red Lake Nation;

(8) Lower Sioux Indian Community;

(9) Prairie Island Indian Community;

(10) Shakopee Mdewakanton Sioux Community; and

(11) Upper Sioux Indian Community.

(i) "Tribal medical cannabis business" means a medical cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (e), as well as any others that may be provided under the law of a Minnesota Tribal government.

(j) "Tribally regulated land" means:

(1) all land held in trust by the United States for the benefit of a Minnesota Tribal government ("trust land");

(2) all land held by a Minnesota Tribal government in restricted fee status; and

(3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

(i) trust land, or fee land held, including leased land, by the Tribe, entities organized under Tribal law, or individual Indians; and

(ii) land held, including leased land, by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;  
Commissioner of human rights;  
Commissioner of human services;  
Commissioner of labor and industry;  
Commissioner of management and budget;  
Commissioner of natural resources;  
Commissioner, Pollution Control Agency;  
Commissioner of public safety;  
Commissioner of revenue;  
Commissioner of employment and economic development;  
Commissioner of transportation;  
Commissioner of veterans affairs;  
Executive director of the Gambling Control Board;  
Executive director of the Minnesota State Lottery;  
Executive director of the Office of Cannabis Management;  
Commissioner of Iron Range resources and rehabilitation;  
Commissioner, Bureau of Mediation Services;  
Ombudsman for mental health and developmental disabilities;  
Ombudsperson for corrections;  
Chair, Metropolitan Council;  
Chair, Metropolitan Airports Commission;  
School trust lands director;  
Executive director of pari-mutuel racing; and  
Commissioner, Public Utilities Commission.

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



Sec. 3. Minnesota Statutes 2022, section 18K.03, is amended by adding a subdivision to read:

Subd. 3. **Sale to cannabis and hemp businesses.** (a) An industrial hemp grower licensed under this chapter may sell hemp plant parts and propagules to a cannabis business or hemp business licensed under chapter 342.

(b) An industrial hemp processor licensed under this chapter may sell hemp concentrate to a cannabis business or hemp business licensed under chapter 342.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 1, is amended to read:

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

(a) "Artificially derived cannabinoid" means a cannabinoid extracted from a hemp plant or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol.

(b) "Batch" means a specific quantity of a specific product containing cannabinoids derived from hemp, including an edible cannabinoid product, that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented.

(c) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

~~(d) "Commissioner" means the commissioner of health.~~

~~(e)~~ (d) "Distributor" means a person who sells, arranges a sale, or delivers a product containing cannabinoids derived from hemp, including an edible cannabinoid product, that the person did not manufacture to a retail establishment for sale to consumers. Distributor does not include a common carrier used only to complete delivery to a retailer.

~~(f)~~ (e) "Edible cannabinoid product" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

~~(g)~~ (f) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(h)~~ (g) "Label" has the meaning given in section 151.01, subdivision 18.

~~(i)~~ (h) "Labeling" means all labels and other written, printed, or graphic matter that are:

(1) affixed to the immediate container in which a product regulated under this section is sold;

(2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets; or

(3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

⊕ (i) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

⊕ (j) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(k) "Office" means the director of the Office of Cannabis Management.

(l) "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid, but which is not extracted or derived from hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 2, is amended to read:

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 to 152.37.

(c) The ~~commissioner~~ office must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 3, is amended to read:

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, ~~provided that~~. A product sold for human or animal consumption ~~does~~ must not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product ~~does~~ must not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) A product containing nonintoxicating cannabinoids, other than an edible cannabinoid product, may be sold for human or animal consumption only if it is intended for application externally to a part of the body of a human or animal. Such a product must not be manufactured, marketed, distributed, or intended to be consumed:

- (1) by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;
- (2) through chewing, drinking, or swallowing; or
- (3) through injection or application to a mucous membrane or nonintact skin.

(c) No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; or

(2) to affect the structure or any function of the bodies of humans or other animals.

(d) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.

(e) Products that meet the requirements of this section are not controlled substances under section 152.02.

(f) Products may be sold for on-site consumption ~~provided that~~ if all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products, other than products that are intended to be consumed as a beverage, must be served in original packaging, but may be removed from the products' packaging by customers and consumed on site;

(3) products must not be sold to a customer who the retailer knows or reasonably should know is intoxicated;

(4) products must not be permitted to be mixed with an alcoholic beverage; and

(5) products that have been removed from packaging must not be removed from the premises.

(g) Edible cannabinoid products that are intended to be consumed as a beverage may be served outside of the products' packaging if the information that is required to be contained on the label of an edible cannabinoid product is posted or otherwise displayed by the retailer.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 4, is amended to read:

Subd. 4. **Testing requirements.** (a) A manufacturer of a product regulated under this section must submit representative samples of each batch of the product to an independent, accredited laboratory in order to certify that the product complies with the standards ~~adopted by the board on or before July 1, 2023, or the standards adopted by the commissioner office.~~ Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must confirm that the product:

(1) contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) does not contain more than trace amounts of any mold, residual solvents or other catalysts, pesticides, fertilizers, or heavy metals; and

(3) does not contain more than 0.3 percent of any tetrahydrocannabinol.

(b) A manufacturer of a product regulated under this section must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials applied to industrial hemp or added to industrial hemp during any production or processing stages of any batch from which a representative sample has been sent for testing, including any catalysts used to create artificially derived cannabinoids. The disclosure must be made to the

laboratory performing testing or sampling and, upon request, to the ~~commissioner~~ office. The disclosure must include all information known to the ~~licensee~~ manufacturer regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

(c) Upon the request of the ~~commissioner~~ office, the manufacturer of the product must provide the ~~commissioner~~ office with the results of the testing required in this section.

(d) The ~~commissioner~~ office may determine that any testing laboratory that does not operate formal management systems under the International Organization for Standardization is not an accredited laboratory and require that a representative sample of a batch of the product be retested by a testing laboratory that meets this requirement.

(e) Testing of the hemp from which the nonintoxicating cannabinoid was derived, or possession of a certificate of analysis for such hemp, does not meet the testing requirements of this section.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5a, is amended to read:

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) be substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

(6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

(7) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage.

(d) If an edible cannabinoid product, other than a product that is intended to be consumed as a beverage, is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size that appear on the edible cannabinoid product. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the edible cannabinoid product may not be packaged in a manner that includes more than a single serving in each container, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving, when sold with the product, may be used for any edible cannabinoid products that are intended to be combined with food or beverage products prior to consumption.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

- (1) the serving size;
- (2) the cannabinoid profile per serving and in total;
- (3) a list of ingredients, including identification of any major food allergens declared by name; and
- (4) the following statement: "Keep this product out of reach of children."

(f) An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving. An edible cannabinoid product, other than a product that is intended to be consumed as a beverage, may not contain more than a total of 50 milligrams of any tetrahydrocannabinol per package. An edible cannabinoid product that is intended to be consumed as a beverage may not contain more than two servings per container.

(g) An edible cannabinoid product may contain delta-8 tetrahydrocannabinol or delta-9 tetrahydrocannabinol that is extracted from hemp plants or hemp plant parts or is an artificially derived cannabinoid. Edible cannabinoid products are prohibited from containing any other artificially derived cannabinoid, including but not limited to THC-P, THC-O, and HHC, unless the ~~commissioner~~ office authorizes use of the artificially derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing synthetic cannabinoids.

(h) Every person selling edible cannabinoid products to consumers, other than products that are intended to be consumed as a beverage, must ensure that all edible cannabinoid products are displayed behind a checkout counter where the public is not permitted or in a locked case.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5b, is amended to read:

Subd. 5b. **Registration; prohibitions.** ~~(a) On or before October 1, 2023, every person selling edible cannabinoid products to consumers must register with the commissioner in a form and manner established by the commissioner. After October 1, 2023, the sale of edible cannabinoid products by a person that is not registered is prohibited.~~

(a) Every person selling an edible cannabinoid product to a consumer must be registered with the office. Existing registrations through the Department of Health must be transferred to the office by July 1, 2024. All other persons required to register must register in a form and manner established by the office. The sale of edible cannabinoid products by a person who is not registered with the office is prohibited and subject to the penalties in section 342.09, subdivision 6; any applicable criminal penalty; and any other applicable civil or administrative penalty.

(b) The registration form must contain an attestation of compliance and each registrant must affirm that it is operating and will continue to operate in compliance with the requirements of this section and all other applicable state and local laws and ordinances.

(c) ~~The commissioner shall~~ office must not charge a fee for registration under this subdivision.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 6, is amended to read:

Subd. 6. **Noncompliant products; enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered a noncompliant product if the product is offered for sale in this state or if the product is manufactured, imported, distributed, or stored with the intent to be offered for sale in this state in violation of any provision of this section, including but not limited to if:

- (1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;
- (2) it has been produced, prepared, packed, or held under unsanitary conditions where it may have been rendered injurious to health, or where it may have been contaminated with filth;
- (3) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;
- (4) it contains any food additives, color additives, or excipients that have been found by the FDA to be unsafe for human or animal consumption;
- (5) it contains an amount or percentage of nonintoxicating cannabinoids that is different than the amount or percentage stated on the label;
- (6) it contains more than 0.3 percent of any tetrahydrocannabinol or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f); or
- (7) it contains more than trace amounts of mold, residual solvents, pesticides, fertilizers, or heavy metals.

(b) A product regulated under this section shall be considered a noncompliant product if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.

(c) ~~The commissioner~~ office may assume that any product regulated under this section that is present in the state, other than a product lawfully possessed for personal use, has been manufactured, imported, distributed, or stored with the intent to be offered for sale in this state if a product of the same type and brand was sold in the state on or after July 1, 2023, or if the product is in the possession of a person who has sold any product in violation of this section.

(d) ~~The commissioner~~ office may enforce this section, including enforcement against a manufacturer or distributor of a product regulated under this section, under ~~sections 144.989 to 144.993~~ section 342.19.

(e) ~~The commissioner may enter into an interagency agreement with~~ The office of Cannabis Management and may enter into an interagency agreement with the commissioner of agriculture to perform inspections and take other enforcement actions on behalf of the ~~commissioner~~ office.

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 7, is amended to read:

Subd. 7. **Violations; criminal penalties.** (a) ~~Notwithstanding section 144.99, subdivision 11,~~ A person who does any of the following regarding a product regulated under this section is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both:

(1) knowingly alters or otherwise falsifies testing results;

(2) intentionally alters or falsifies any information required to be included on the label of an edible cannabinoid product; or

(3) intentionally makes a false material statement to the ~~commissioner~~ office.

(b) ~~Notwithstanding section 144.99, subdivision 11,~~ A person who does any of the following on the premises of a registered retailer or another business that sells retail goods to customers is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both:

(1) sells an edible cannabinoid product knowing that the product does not comply with the limits on the amount or types of cannabinoids that a product may contain;

(2) sells an edible cannabinoid product knowing that the product does not comply with the applicable testing, packaging, or labeling requirements; or

(3) sells an edible cannabinoid product to a person under the age of 21, except that it is an affirmative defense to a charge under this clause 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 subdivision 5c.

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

Sec. 12. Minnesota Statutes 2022, section 152.22, subdivision 11, is amended to read:

Subd. 11. **Registered designated caregiver.** "Registered designated caregiver" means a person who:

(1) is at least 18 years old;

~~(2) does not have a conviction for a disqualifying felony offense;~~

~~(3)~~ (2) has been approved by the ~~commissioner~~ office to assist a patient who requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility; and

~~(4)~~ (3) is authorized by the ~~commissioner~~ office to assist the patient with the use of medical cannabis.

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

Sec. 13. Minnesota Statutes 2022, section 152.22, subdivision 14, is amended to read:

Subd. 14. **Qualifying medical condition.** "Qualifying medical condition" means either a medical condition for which an individual's health care practitioner has recommended, approved, or authorized the use of cannabis by that individual to treat the condition, or a diagnosis of any of the following conditions:

(1) Alzheimer's disease;

(2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

~~(4)~~ (3) cancer, if the underlying condition or treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting;

(4) chronic motor or vocal tic disorder;

(5) chronic pain;

~~(2)~~ (6) glaucoma;

~~(3)~~ (7) human immunodeficiency virus or acquired immune deficiency syndrome;

(8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);

(9) obstructive sleep apnea;

(10) post-traumatic stress disorder;

~~(4)~~ (11) Tourette's syndrome;

~~(5)~~ (12) amyotrophic lateral sclerosis;

~~(6)~~ (13) seizures, including those characteristic of epilepsy;

~~(7)~~ (14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;

~~(8)~~ (15) inflammatory bowel disease, including Crohn's disease;

(16) irritable bowel syndrome;

(17) obsessive-compulsive disorder;

(18) sickle cell disease; or

~~(9)~~ (19) terminal illness, with a probable life expectancy of under one year, if the illness or its treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting;~~or~~

~~(10) any other medical condition or its treatment approved by the commissioner.~~

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



Sec. 14. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 19. **Veteran.** "Veteran" means an individual who satisfies the requirements in section 197.447.

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

Sec. 15. Minnesota Statutes 2022, section 152.25, subdivision 2, is amended to read:

Subd. 2. **Range of compounds and dosages; report.** The ~~commissioner~~ office shall review and publicly report the existing medical and scientific literature regarding the range of recommended dosages for each qualifying condition and the range of chemical compositions of any plant of the genus cannabis that will likely be medically beneficial for each of the qualifying medical conditions. The ~~commissioner~~ office shall make this information available to patients with qualifying medical conditions beginning December 1, 2014, and update the information ~~annually every three years.~~ The ~~commissioner~~ office may consult with the independent laboratory under contract with the manufacturer or other experts in reporting the range of recommended dosages for each qualifying medical condition, the range of chemical compositions that will likely be medically beneficial, and any risks of noncannabis drug interactions. The ~~commissioner~~ office shall consult with each manufacturer on an annual basis on medical cannabis offered by the manufacturer. The list of medical cannabis offered by a manufacturer shall be published on the ~~Department of Health~~ Office of Cannabis Management website.

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

Sec. 16. Minnesota Statutes 2022, section 152.27, subdivision 1, is amended to read:

Subdivision 1. **Patient registry program; establishment.** ~~(a)~~ The ~~commissioner~~ office shall establish a patient registry program to evaluate data on patient demographics, effective treatment options, clinical outcomes, and quality-of-life outcomes for the purpose of reporting on the benefits, risks, and outcomes regarding patients with a qualifying medical condition engaged in the therapeutic use of medical cannabis.

~~(b) The establishment of the registry program shall not be construed or interpreted to condone or promote the illicit recreational use of marijuana.~~

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

Sec. 17. Minnesota Statutes 2022, section 152.27, subdivision 2, is amended to read:

Subd. 2. **~~Commissioner~~ Office duties.** (a) The ~~commissioner~~ office shall:

(1) give notice of the program to health care practitioners in the state who are eligible to serve as health care practitioners and explain the purposes and requirements of the program;

(2) allow each health care practitioner who meets or agrees to meet the program's requirements and who requests to participate, to be included in the registry program to collect data for the patient registry;

(3) provide explanatory information and assistance to each health care practitioner in understanding the nature of therapeutic use of medical cannabis within program requirements;

(4) create and provide a certification to be used by a health care practitioner for the practitioner to certify whether a patient has been diagnosed with a qualifying medical condition ~~and include in the certification an option for the practitioner to certify whether the patient, in the health care practitioner's medical opinion, is developmentally or physically disabled and, as a result of that disability, the patient requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility;~~

(5) supervise the participation of the health care practitioner in conducting patient treatment and health records reporting in a manner that ensures stringent security and record-keeping requirements and that prevents the unauthorized release of private data on individuals as defined by section 13.02;

(6) develop safety criteria for patients with a qualifying medical condition as a requirement of the patient's participation in the program, to prevent the patient from undertaking any task under the influence of medical cannabis that would constitute negligence or professional malpractice on the part of the patient; and

(7) conduct research and studies based on data from health records submitted to the registry program and submit reports on intermediate or final research results to the legislature and major scientific journals. The ~~commissioner~~ office may contract with a third party to complete the requirements of this clause. Any reports submitted must comply with section 152.28, subdivision 2.

(b) The ~~commissioner~~ office may add a delivery method under section 152.22, subdivision 6, ~~or add, remove, or modify a qualifying medical condition under section 152.22, subdivision 14,~~ upon a petition from a member of the public or the ~~task force on medical cannabis therapeutic research~~ Cannabis Advisory Council under section 342.03 or as directed by law. ~~The commissioner shall evaluate all petitions to add a qualifying medical condition or to remove or modify an existing qualifying medical condition submitted by the task force on medical cannabis therapeutic research or as directed by law and may make the addition, removal, or modification if the commissioner determines the addition, removal, or modification is warranted based on the best available evidence and research.~~ If the ~~commissioner~~ office wishes to add a delivery method under section 152.22, subdivision 6, ~~or add or remove a qualifying medical condition under section 152.22, subdivision 14,~~ the ~~commissioner~~ office must notify the chairs and ranking minority members of the legislative policy committees having jurisdiction over health and public safety of the addition ~~or removal~~ and the reasons for its addition ~~or removal~~, including any written comments received by the ~~commissioner~~ office from the public and any guidance received from the ~~task force on medical cannabis research~~ Cannabis Advisory Council under section 342.03, by January 15 of the year in which the ~~commissioner~~ office wishes to make the change. The change shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

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

Sec. 18. Minnesota Statutes 2022, section 152.27, subdivision 3, is amended to read:

Subd. 3. **Patient application.** (a) The ~~commissioner~~ office shall develop a patient application for enrollment into the registry program. The application shall be available to the patient and given to health care practitioners in the state who are eligible to serve as health care practitioners. The application must include:

(1) the name, mailing address, and date of birth of the patient;

(2) the name, mailing address, and telephone number of the patient's health care practitioner;

(3) the name, mailing address, and date of birth of the patient's designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as a caregiver;

(4) a copy of the certification from the patient's health care practitioner that is dated within 90 days prior to submitting the application that certifies that the patient has been diagnosed with a qualifying medical condition; and

(5) all other signed affidavits and enrollment forms required by the ~~commissioner~~ office under sections 152.22 to 152.37, including, but not limited to, the disclosure form required under paragraph ~~(e)~~ (b).

~~(b) The commissioner shall require a patient to resubmit a copy of the certification from the patient's health care practitioner on a yearly basis and shall require that the recertification be dated within 90 days of submission.~~

~~(e)~~ (b) The ~~commissioner~~ office shall develop a disclosure form and require, as a condition of enrollment, all patients to sign a copy of the disclosure. The disclosure must include:

(1) a statement that, notwithstanding any law to the contrary, the ~~commissioner~~ office, or an employee of any state agency, may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37; and

(2) the patient's acknowledgment that enrollment in the patient registry program is conditional on the patient's agreement to meet all of the requirements of sections 152.22 to 152.37.

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

Sec. 19. Minnesota Statutes 2022, section 152.27, is amended by adding a subdivision to read:

Subd. 3a. **Application procedure for veterans.** (a) Beginning July 1, 2024, the office shall establish an alternative certification procedure for veterans to enroll in the registry program.

(b) The office may request that a patient who is a veteran and is seeking to enroll in the registry program submit to the office a copy of the patient's veteran identification card and an attestation that the veteran has been diagnosed with a qualifying medical condition listed in section 152.22, subdivision 14, clauses (1) to (19).

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

Sec. 20. Minnesota Statutes 2022, section 152.27, subdivision 4, is amended to read:

Subd. 4. **Registered designated caregiver.** (a) The ~~commissioner~~ office shall register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility and the caregiver has agreed, in writing, to be the patient's designated caregiver. As a condition of registration as a designated caregiver, the ~~commissioner~~ office shall require the person to:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not be a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence shall count as one patient.

~~(b) The commissioner shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.~~

(e) ~~(b)~~ Nothing in sections 152.22 to 152.37 shall be construed to prevent a person registered as a designated caregiver from also being enrolled in the registry program as a patient and possessing and using medical cannabis as a patient.

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

Sec. 21. Minnesota Statutes 2022, section 152.27, subdivision 6, is amended to read:

Subd. 6. **Patient enrollment.** (a) After receipt of a patient's application, ~~application fees,~~ and signed disclosure, the ~~commissioner~~ office shall enroll the patient in the registry program and issue the patient and patient's registered designated caregiver or parent, legal guardian, or spouse, if applicable, a registry verification. The ~~commissioner~~ office shall approve or deny a patient's application for participation in the registry program within 30 days after the ~~commissioner~~ office receives the patient's application ~~and application fee.~~ ~~The commissioner may approve applications up to 60 days after the receipt of a patient's application and application fees until January 1, 2016.~~ A patient's enrollment in the registry program shall only be denied if the patient:

(1) does not have certification from a health care practitioner or, if the patient is a veteran, does not have the documentation requested by the office under subdivision 3a that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed and returned the disclosure form required under subdivision 3, paragraph (c), to the ~~commissioner~~ office;

(3) does not provide the information required;

(4) has previously been removed from the registry program for violations of section 152.30 or 152.33; or

(5) provides false information.

(b) The ~~commissioner~~ office shall give written notice to a patient of the reason for denying enrollment in the registry program.

(c) Denial of enrollment into the registry program is considered a final decision of the ~~commissioner~~ office and is subject to judicial review under the Administrative Procedure Act pursuant to chapter 14.

(d) A patient's enrollment in the registry program may only be revoked upon the death of the patient or if a patient violates a requirement under section 152.30 or 152.33.

(e) The ~~commissioner~~ office shall develop a registry verification to provide to the patient, the health care practitioner identified in the patient's application, and to the manufacturer. The registry verification shall include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as a caregiver.

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 152.28, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties.** (a) Prior to a patient's enrollment in the registry program, a health care practitioner shall:

(1) determine, in the health care practitioner's medical judgment, whether a patient suffers from a qualifying medical condition, and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, or spouses who are acting as caregivers of the existence of any nonprofit patient support groups or organizations;

(3) provide explanatory information from the ~~commissioner~~ office to patients with qualifying medical conditions, including disclosure to all patients about the experimental nature of therapeutic use of medical cannabis; the possible risks, benefits, and side effects of the proposed treatment; the application and other materials from the ~~commissioner~~ office; and provide patients with the Tennessen warning as required by section 13.04, subdivision 2; and

(4) agree to continue treatment of the patient's qualifying medical condition and report medical findings to the ~~commissioner~~ office.

(b) Upon notification from the ~~commissioner~~ office of the patient's enrollment in the registry program, the health care practitioner shall:

(1) participate in the patient registry reporting system under the guidance and supervision of the ~~commissioner~~ office;

(2) report health records of the patient throughout the ongoing treatment of the patient to the ~~commissioner~~ office in a manner determined by the commissioner and in accordance with subdivision 2;

(3) determine, ~~on a yearly basis~~ every three years, if the patient continues to suffer from a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis; and

(4) otherwise comply with all requirements developed by the ~~commissioner~~ office.

(c) A health care practitioner may utilize telehealth, as defined in section 62A.673, subdivision 2, for certifications and recertifications.

(d) Nothing in this section requires a health care practitioner to participate in the registry program.

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

Sec. 23. Minnesota Statutes 2022, section 152.28, subdivision 2, is amended to read:

Subd. 2. **Data.** Data collected on patients by a health care practitioner and reported to the patient registry, including data on patients who are veterans, are health records under section 144.291, and are private data on individuals under section 13.02, but may be used or reported in an aggregated, nonidentifiable form as part of a scientific, peer-reviewed publication of research conducted under section 152.25 or in the creation of summary data, as defined in section 13.02, subdivision 19.

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

Sec. 24. Minnesota Statutes 2022, section 152.29, subdivision 3, is amended to read:

Subd. 3. **Manufacturer; distribution.** (a) A manufacturer shall require that employees licensed as pharmacists pursuant to chapter 151 be the only employees to give final approval for the distribution of medical cannabis to a patient. A manufacturer may transport medical cannabis or medical cannabis products that have been cultivated, harvested, manufactured, packaged, and processed by that manufacturer to another registered manufacturer for the other manufacturer to distribute.

(b) A manufacturer may distribute medical cannabis products, whether or not the products have been manufactured by that manufacturer.

(c) Prior to distribution of any medical cannabis, the manufacturer shall:

(1) verify that the manufacturer has received the registry verification from the ~~commissioner~~ office for that individual patient;

(2) verify that the person requesting the distribution of medical cannabis is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse listed in the registry verification using the procedures described in section 152.11, subdivision 2d;

(3) assign a tracking number to any medical cannabis distributed from the manufacturer;

(4) ensure that any employee of the manufacturer licensed as a pharmacist pursuant to chapter 151 has consulted with the patient to determine the proper dosage for the individual patient after reviewing the ranges of chemical compositions of the medical cannabis and the ranges of proper dosages reported by the ~~commissioner~~ office. For purposes of this clause, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, so long as the employee providing the consultation is able to confirm the identity of the patient and the consultation adheres to patient privacy requirements that apply to health care services delivered through telehealth. A pharmacist consultation under this clause is ~~not required when a manufacturer is distributing medical cannabis to a patient according to a patient-specific dosage plan established with that manufacturer and is not modifying the dosage or product being distributed under that plan and the medical cannabis is distributed by a pharmacy technician; only required:~~

(i) if the patient is purchasing the medical cannabis flower or medical cannabinoid product for the first time;

(ii) if the patient purchases medical cannabis flower or a medical cannabinoid product that the patient must administer using a different method than the patient's previous method of administration;

(iii) if the patient purchases medical cannabis flower or a medical cannabinoid product with a cannabinoid concentration of at least double the patient's prior dosage; or

(iv) upon the request of the patient; and

(5) properly package medical cannabis in compliance with the United States Poison Prevention Packing Act regarding child-resistant packaging and exemptions for packaging for elderly patients, and label distributed medical cannabis with a list of all active ingredients and individually identifying information, including:

(i) the patient's name and date of birth;

(ii) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent or legal guardian, if applicable;

- (iii) the patient's registry identification number;
- (iv) the chemical composition of the medical cannabis; and
- (v) the dosage; ~~and~~

~~(6) ensure that the medical cannabis distributed contains a maximum of a 90 day supply of the dosage determined for that patient.~~

(d) A manufacturer shall require any employee of the manufacturer who is transporting medical cannabis or medical cannabis products to a distribution facility or to another registered manufacturer to carry identification showing that the person is an employee of the manufacturer.

(e) A manufacturer shall distribute medical cannabis in dried raw cannabis form only to a patient age 21 or older, or to the registered designated caregiver, parent, legal guardian, or spouse of a patient age 21 or older.

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

Sec. 25. Minnesota Statutes 2023 Supplement, section 152.30, is amended to read:

**152.30 PATIENT DUTIES.**

(a) A patient shall apply to the ~~commissioner~~ office for enrollment in the registry program by submitting an application as required in section 152.27 ~~and an annual registration fee as determined under section 152.35.~~

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

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

Sec. 26. Minnesota Statutes 2022, section 181.950, subdivision 10, is amended to read:

Subd. 10. **Positive test result.** "Positive test result" means a finding of the presence of drugs, cannabis, alcohol, or their metabolites in the sample tested in levels at or above the threshold detection levels contained in the standards of one of the programs listed in section 181.953, subdivision 1.

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

Sec. 27. Minnesota Statutes 2023 Supplement, section 181.951, subdivision 4, is amended to read:

Subd. 4. **Random testing.** An employer may request or require employees to undergo cannabis testing ~~or~~ and drug and alcohol testing on a random selection basis only if (1) they are employed in safety-sensitive positions, or (2) they are employed as professional athletes if the professional athlete is subject to a collective bargaining agreement permitting random testing but only to the extent consistent with the collective bargaining agreement.

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

Sec. 28. Minnesota Statutes 2023 Supplement, section 181.951, subdivision 5, is amended to read:

Subd. 5. **Reasonable suspicion testing.** An employer may request or require an employee to undergo cannabis testing and drug and alcohol testing if the employer has a reasonable suspicion that the employee:

(1) is under the influence of drugs, cannabis, or alcohol;

(2) has violated the employer's written work rules prohibiting the use, possession, impairment, sale, or transfer of drugs or alcohol, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products while the employee is working or while the employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment, ~~provided if~~ the work rules are in writing and contained in the employer's written cannabis testing or drug and alcohol testing policy;

(3) has sustained a personal injury, as that term is defined in section 176.011, subdivision 16, or has caused another employee to sustain a personal injury; or

(4) has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

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

Sec. 29. Minnesota Statutes 2023 Supplement, section 181.951, subdivision 8, is amended to read:

Subd. 8. **Limitations on cannabis testing.** (a) An employer must not request or require a job applicant to undergo cannabis testing ~~solely for the purpose of determining the presence or absence of cannabis~~ as a condition of employment unless otherwise required by state or federal law.

(b) Unless otherwise required by state or federal law, an employer must not refuse to hire a job applicant solely because the job applicant submits to a cannabis test or a drug and alcohol test authorized by this section and the results of the test indicate the presence of cannabis.

(c) An employer must not request or require an employee or job applicant to undergo cannabis testing on an arbitrary or capricious basis.

(d) Cannabis testing authorized under ~~paragraph (d)~~ this section must comply with the safeguards for testing employees provided in sections 181.953 and 181.954.

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



Sec. 30. Minnesota Statutes 2022, section 181.952, as amended by Laws 2023, chapter 63, article 6, section 38, is amended to read:

**181.952 POLICY CONTENTS; PRIOR WRITTEN NOTICE.**

Subdivision 1. **Contents of the policy.** An employer's drug and alcohol and cannabis testing policy must, at a minimum, set forth the following information:

- (1) the employees or job applicants subject to testing under the policy;
- (2) the circumstances under which drug or alcohol and cannabis testing may be requested or required;
- (3) the right of an employee or job applicant to refuse to undergo drug and alcohol and cannabis testing and the consequences of refusal;
- (4) any disciplinary or other adverse personnel action that may be taken based on a confirmatory test verifying a positive test result on an initial screening test;
- (5) the right of an employee or job applicant to explain a positive test result on a confirmatory test or request and pay for a confirmatory retest; and
- (6) any other appeal procedures available.

Subd. 2. **Notice.** An employer shall provide written notice of its drug and alcohol testing and cannabis testing policy to all affected employees upon adoption of the policy, to a previously nonaffected employee upon transfer to an affected position under the policy, and to a job applicant upon hire and before any testing of the applicant if the job offer is made contingent on the applicant passing drug and alcohol testing. An employer shall also post notice in an appropriate and conspicuous location on the employer's premises that the employer has adopted a drug and alcohol testing and cannabis testing policy and that copies of the policy are available for inspection during regular business hours by its employees or job applicants in the employer's personnel office or other suitable locations.

Subd. 3. **Cannabis policy work rules.** (a) Unless otherwise provided by state or federal law, an employer is not required to permit or accommodate cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment.

(b) An employer may only enact and enforce written work rules prohibiting cannabis flower, cannabis product, lower-potency hemp edible, and hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee, is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment in a written policy that contains the minimum information required by this section.

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

Sec. 31. Minnesota Statutes 2023 Supplement, section 181.954, subdivision 1, is amended to read:

Subdivision 1. **Privacy limitations.** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, cannabis, alcohol, or their metabolites in a sample tested.

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

Sec. 32. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; cannabis licensees.** The amount of expenses of a ~~medical cannabis business license holder~~, as defined under section 342.01, subdivision ~~53~~ 48, related to the business of ~~medical cannabis under sections 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter,~~ cannabis or hemp and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

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

Sec. 33. Minnesota Statutes 2023 Supplement, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; cannabis licensees.** The amount of expenses of a ~~medical cannabis business license holder~~, as defined under section 342.01, subdivision ~~53~~ 48, related to the business of ~~medical cannabis under sections 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter,~~ cannabis or hemp and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

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

Sec. 34. Minnesota Statutes 2023 Supplement, section 295.81, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** (a) The use tax imposed under subdivision 3, paragraph (a), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of \$100 or less, and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales of medical items purchased by or for a patient enrolled in the registry program, including medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

(d) The tax imposed under this section does not apply to:

(1) sales made ~~in Indian country as defined in United States Code, title 18, section 1151~~ on Tribally regulated land as defined in section 3.9228, subdivision 1, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f); or

(2) use tax owed on taxable cannabis products purchased on Tribally regulated land as defined in section 3.9228, subdivision 1, from a cannabis business licensed by a Minnesota Tribal government as defined in section 3.9228, subdivision 1, paragraph (f).

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

Sec. 35. Minnesota Statutes 2023 Supplement, section 297A.67, subdivision 39, is amended to read:

Subd. 39. **Reservation sales of taxable cannabis products.** The sale of a taxable cannabis product, as defined in section 295.81, subdivision 1, paragraph (r), that is made ~~in Indian country, as defined in United States Code, title 48, section 1151~~ on Tribally regulated land as defined in section 3.9228, subdivision 1, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f), is exempt.

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

Sec. 36. Minnesota Statutes 2023 Supplement, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(5) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), prepared food, candy, soft drinks, alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), except for lodging, prepared food, candy, soft drinks, alcoholic beverages, and taxable cannabis products purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, taxable cannabis product retailer as defined under section 295.81, subdivision 1, paragraph (p), gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

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

Sec. 37. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 14, is amended to read:

Subd. 14. **Cannabis business.** "Cannabis business" means any of the following licensed under this chapter:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service; and
- ~~(11) medical cannabis cultivator;~~
- ~~(12) medical cannabis processor;~~
- ~~(13) medical cannabis retailer; and~~
- ~~(14)~~ (11) medical cannabis combination business.

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

Sec. 38. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 17, is amended to read:

Subd. 17. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis plants, cannabis flower, and cannabis products ~~and subject to regulation under this chapter.~~

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

Sec. 39. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 19, is amended to read:

Subd. 19. **Cannabis plant.** "Cannabis plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested ~~and has a delta 9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis, including but not limited to a mother plant; a mature, flowering plant; an immature plant; or a seedling.~~ Cannabis plant does not include a hemp plant.

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

Sec. 40. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 31a. **Endorsement.** "Endorsement" means an authorization from the office to conduct a specified operation activity.

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

Sec. 41. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 48, is amended to read:

Subd. 48. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible retailer; or

~~(13) medical cannabis cultivator;~~

~~(14) medical cannabis processor;~~

~~(15) medical cannabis retailer; or~~

~~(16)~~ (13) medical cannabis combination business.

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

Sec. 42. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 50, is amended to read:

Subd. 50. **Lower-potency hemp edible.** (a) "Lower-potency hemp edible" means any product that:

(1) is intended to be eaten or consumed as a beverage by humans;

(2) contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients;

(3) is not a drug;

~~(4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;~~

~~(5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;~~

~~(6) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol;~~

~~(7)~~ (4) does not contain a cannabinoid derived from cannabis plants or cannabis flower; ~~and~~

~~(8)~~ (5) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods; and

(6) meets either of the requirements in paragraph (b).

(b) A lower-potency hemp edible includes:

(1) a product that:

(i) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol; no more than 25 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene; any other cannabinoid authorized by the office; or any combination of those cannabinoids that does not exceed the identified amounts;

(ii) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and

(iii) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol, except that a product may include artificially derived cannabinoids created during the process of creating the delta-9 tetrahydrocannabinol that is added to the product, if no artificially derived cannabinoid is added to the ingredient containing delta-9 tetrahydrocannabinol and the ratio of delta-9 tetrahydrocannabinol to all other artificially derived cannabinoids is no less than 20 to one; or

(2) a product that:

(i) contains hemp concentrate processed or refined without increasing the percentage of targeted cannabinoids or altering the ratio of cannabinoids in the extracts or resins of a hemp plant or hemp plant parts beyond the variability generally recognized for the method used for processing or refining or by an amount needed to reduce the total THC in the hemp concentrate; and

(ii) consists of servings that contain no more than five milligrams of total THC.

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

Sec. 43. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 52, is amended to read:

Subd. 52. **Medical cannabinoid product.** (a) "Medical cannabinoid product" means a product that:

(1) consists of or contains cannabis concentrate or hemp concentrate or is infused with cannabinoids, including but not limited to artificially derived cannabinoids; and

(2) is provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient, by a registered designated caregiver, cannabis retailer, or ~~medical cannabis retailer~~ cannabis business with a medical cannabis retail endorsement to treat or alleviate the symptoms of a qualifying medical condition.

(b) A medical cannabinoid product must be in the form of:

(1) liquid, including but not limited to oil;

(2) pill;

(3) liquid or oil for use with a vaporized delivery method;

(4) water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;

(5) orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;

(6) edible products in the form of gummies and chews;

(7) topical formulation; or

(8) any allowable form or delivery method approved by the office.

(c) Medical cannabinoid product does not include adult-use cannabis products or hemp-derived consumer products.

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

Sec. 44. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 54, is amended to read:

Subd. 54. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower provided to a patient enrolled in the registry program or a visiting patient; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient by a registered designated caregiver, cannabis retailer, ~~or medical cannabis business~~ cannabis business with a medical cannabis retail endorsement to treat or alleviate the symptoms of a qualifying medical condition. Medical cannabis flower does not include adult-use cannabis flower.

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

Sec. 45. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 57, is amended to read:

Subd. 57. **Office.** "Office" means the director of the Office of Cannabis Management.

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

Sec. 46. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 63, is amended to read:

Subd. 63. **Qualifying medical condition.** "Qualifying medical condition" means either a medical condition for which an individual's health care practitioner has recommended, approved, or authorized the use of cannabis by that individual to treat the condition, or a diagnosis of any of the following conditions:

- (1) Alzheimer's disease;
- (2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;
- (3) cancer, if the underlying condition or treatment produces one or more of the following:
  - (i) severe or chronic pain;
  - (ii) nausea or severe vomiting; or
  - (iii) cachexia or severe wasting;
- (4) chronic motor or vocal tic disorder;
- (5) chronic pain;
- (6) glaucoma;
- (7) human immunodeficiency virus or acquired immune deficiency syndrome;
- (8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);
- (9) obstructive sleep apnea;
- (10) post-traumatic stress disorder;
- (11) Tourette's syndrome;



(12) amyotrophic lateral sclerosis;

(13) seizures, including those characteristic of epilepsy;

(14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;

(15) inflammatory bowel disease, including Crohn's disease;

(16) irritable bowel syndrome;

(17) obsessive-compulsive disorder;

(18) sickle cell disease; or

(19) terminal illness, with a probable life expectancy of under one year, if the illness or its treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting; ~~or~~

~~(20) any other medical condition or its treatment approved by the office.~~

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

Sec. 47. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 64, is amended to read:

Subd. 64. **Registered designated caregiver.** "Registered designated caregiver" means an individual who:

(1) is at least 18 years old;

~~(2) is not disqualified for a criminal offense according to rules adopted pursuant to section 342.15, subdivision 2;~~

~~(3) (2) has been approved by the Division of Medical Cannabis office to assist a patient with obtaining medical cannabis flower and medical cannabinoid products from a cannabis retailer or medical cannabis retailer business with a medical cannabis retail endorsement and with administering medical cannabis flower and medical cannabinoid products; and~~

~~(4) (3) is authorized by the Division of Medical Cannabis office to assist a patient with the use of medical cannabis flower and medical cannabinoid products.~~

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

Sec. 48. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 65, is amended to read:

Subd. 65. **Registry or registry program.** "Registry" or "registry program" means the patient registry established under this chapter listing patients; registered designated caregivers; and any parent, legal guardian, or spouse of a patient who is authorized to perform the following acts either as a patient or to assist a patient:

(1) obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from a cannabis ~~retailers and medical cannabis retailers~~ business with a medical cannabis retail endorsement; and

(2) administer medical cannabis flower and medical cannabinoid products.

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

Sec. 49. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 66, is amended to read:

Subd. 66. **Registry verification.** "Registry verification" means the verification provided by the ~~Division of Medical Cannabis~~ office that a patient is enrolled in the registry program and that includes the patient's name, patient registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

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

Sec. 50. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 69b. **Total THC.** "Total THC" means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of all tetrahydrocannabinols.

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

Sec. 51. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** (a) The office has the following powers and duties:

(1) to develop, maintain, and enforce an organized system of regulation for the cannabis industry and hemp consumer industry;

(2) to establish programming, services, and notification to protect, maintain, and improve the health of citizens;

(3) to prevent unauthorized access to cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by individuals under 21 years of age;

(4) to establish and regularly update standards for product manufacturing, testing, packaging, and labeling, including requirements for an expiration, sell-by, or best-used-by date;

(5) to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition;

(6) to issue and renew licenses;

(7) to require fingerprints from individuals determined to be subject to fingerprinting, including the submission of fingerprints to the Federal Bureau of Investigation where required by law and to obtain criminal conviction data for individuals seeking a license from the office on the individual's behalf or as a cooperative member or director, manager, or general partner of a business entity;

(8) to receive reports required by this chapter and inspect the premises, records, books, and other documents of license holders to ensure compliance with all applicable laws and rules;

(9) to authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority;

(10) to impose and collect civil and administrative penalties as provided in this chapter;

(11) to publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, hemp businesses, and hemp workers and the health and safety of citizens;

(12) to make loans and grants in aid to the extent that appropriations are made available for that purpose;

(13) to authorize research and studies on cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, the cannabis industry, and the hemp consumer industry;

(14) to provide reports as required by law;

(15) to develop a warning label regarding the effects of the use of cannabis flower and cannabis products by persons 25 years of age or younger;

(16) to determine, based on a review of medical and scientific literature, whether it is appropriate to require additional health and safety warnings containing information that is both supported by credible science and helpful to consumers in considering potential health risks from the use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, including but not limited to warnings regarding any risks associated with use by pregnant or breastfeeding individuals, or by individuals planning to become pregnant, and the effects that use has on brain development for individuals under the age of 25;

(17) to establish limits on the potency of cannabis flower and cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell cannabis flower and cannabis products to customers;

(18) to establish rules authorizing an increase in plant canopy limits and outdoor cultivation limits to meet market demand and limiting cannabis manufacturing consistent with the goals identified in subdivision 1; ~~and~~

(19) to order a person or business that cultivates cannabis flower or manufactures or produces cannabis products, medical cannabinoid products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products to recall any cannabis flower, product, or ingredient containing cannabinoids that is used in a product if the office determines that the flower, product, or ingredient represents a risk of causing a serious adverse incident; and

~~(49)~~ (20) to exercise other powers and authority and perform other duties required by law.

(b) In addition to the powers and duties in paragraph (a), the office has the following powers and duties until January 1, 2027:

(1) to establish limits on the potency of adult-use cannabis flower and adult-use cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell adult-use cannabis flower and adult-use cannabis products to customers; and

(2) to permit, upon application to the office in the form prescribed by the director of the office, a licensee under this chapter to perform any activity if such permission is substantially necessary for the licensee to perform any other activity permitted by the applicant's license and is not otherwise prohibited by law.

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

Sec. 52. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 3, is amended to read:

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment and the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

(c) This subdivision is effective July 1, 2024.

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

Sec. 53. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 5, is amended to read:

Subd. 5. **Rulemaking.** (a) The office may adopt rules to implement any provisions in this chapter.

(b) Rules for which notice is published in the State Register before July 1, 2025, may be adopted using the expedited rulemaking process in section 14.389. The 18-month time limit imposed by section 14.125 does not apply to rules adopted under this paragraph.

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

Sec. 54. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 6, is amended to read:

Subd. 6. **Director.** (a) The governor shall appoint a director of the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor.

(b) The salary of the director must ~~not exceed the salary limit~~ be established by the Compensation Council under section 15A.0815, subdivision 3 15A.082.

(c) The director may appoint and employ no more than two deputy directors.

(d) The director has administrative control of the office. The director has the powers described in section 15.06, subdivision 6.

(e) The director may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the director.

(f) Pursuant to state law, the director may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the director.

(g) The director may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

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

Sec. 55. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The Cannabis Advisory Council is created consisting of the following members:

- (1) the director of the Office of Cannabis Management or a designee;
- (2) the commissioner of employment and economic development or a designee;
- (3) the commissioner of revenue or a designee;
- (4) the commissioner of health or a designee;
- (5) the commissioner of human services or a designee;
- (6) the commissioner of public safety or a designee;
- (7) the commissioner of human rights or a designee;

- (8) the commissioner of labor or a designee;
- (9) the commissioner of agriculture or a designee;
- (10) the commissioner of the Pollution Control Agency or a designee;
- (11) the superintendent of the Bureau of Criminal Apprehension or a designee;
- (12) the colonel of the State Patrol or a designee;
- (13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;
- (14) a representative from the League of Minnesota Cities appointed by the league;
- (15) a representative from the Association of Minnesota Counties appointed by the association;
- (16) an expert in minority business development appointed by the governor;
- (17) an expert in economic development strategies for under-resourced communities appointed by the governor;
- (18) an expert in farming or representing the interests of farmers appointed by the governor;
- (19) an expert representing the interests of cannabis workers appointed by the governor;
- (20) an expert representing the interests of employers appointed by the governor;
- (21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;
- (22) an expert in social welfare or social justice appointed by the governor;
- (23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;
- (24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;
- (25) an expert in minority business ownership appointed by the governor;
- (26) an expert in women-owned businesses appointed by the governor;
- (27) an expert in cannabis retailing appointed by the governor;
- (28) an expert in cannabis product manufacturing appointed by the governor;
- (29) an expert in laboratory sciences and toxicology appointed by the governor;
- (30) an expert in providing legal services to cannabis businesses appointed by the governor;
- (31) an expert in cannabis cultivation appointed by the governor;

(32) an expert in pediatric medicine appointed by the governor;

(33) an expert in adult medicine appointed by the governor;

(34) an expert in clinical pharmacy appointed by the governor;

~~(35)~~ (35) three patient advocates, one who is a patient enrolled in the medical cannabis program; one who is a parent or caregiver of a patient in the medical cannabis program; and one patient with experience in the mental health system or substance use disorder treatment system appointed by the governor;

~~(35)~~ (36) two licensed mental health professionals appointed by the governor;

~~(36)~~ (37) a veteran appointed by the governor;

~~(37)~~ (38) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:

(i) the Fond du Lac Band;

(ii) the Grand Portage Band;

(iii) the Mille Lacs Band;

(iv) the White Earth Band;

(v) the Bois Forte Band;

(vi) the Leech Lake Band;

(vii) the Red Lake Nation;

(viii) the Upper Sioux Community;

(ix) the Lower Sioux Indian Community;

(x) the Shakopee Mdewakanton Sioux Community; and

(xi) the Prairie Island Indian Community; ~~and~~

~~(38)~~ (39) a representative from the Local Public Health Association of Minnesota appointed by the association; and

(40) one youth from outside the seven-county metropolitan area as defined in section 473.121, subdivision 4, and one youth from the seven-county metropolitan area who are both appointed by the governor. The youths must have been disproportionately affected by cannabis or cannabis use or have an immediate family member who was negatively affected by cannabis use. The youths must be between the ages of 18 and 24 years old.

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

Sec. 56. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The duties of the advisory council shall include:

- (1) reviewing national cannabis policy;
  - (2) examining the effectiveness of state cannabis policy;
  - (3) reviewing developments in the cannabis industry and hemp consumer industry;
  - (4) reviewing developments in the study of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products;
  - (5) taking public testimony; ~~and~~
  - (6) considering the impact of legalized adult-use cannabis on the rate of cannabis use by minors; and
  - ~~(6) (7)~~ making recommendations to the Office of Cannabis Management.
- (b) At its discretion, the advisory council may examine other related issues consistent with this section.

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

Sec. 57. Minnesota Statutes 2023 Supplement, section 342.06, is amended to read:

**342.06 APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.**

**Subdivision 1. Approval of cannabis flower and products.** (a) For the purposes of this section, "product category" means a type of product that may be sold in different sizes, distinct packaging, or at various prices but is still created using the same manufacturing or agricultural processes. A new or additional stock keeping unit (SKU) or Universal Product Code (UPC) shall not prevent a product from being considered the same type as another unit. All other terms have the meanings provided in section 342.01.

(b) The office shall approve product categories of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for retail sale.

(c) The office may establish limits on the total THC of cannabis flower, cannabis products, and hemp-derived consumer products. As used in this paragraph, "total THC" means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of all tetrahydrocannabinols.

(d) The office shall not approve any cannabis product, lower-potency hemp edible, or hemp-derived consumer product that:

- (1) is or appears to be a lollipop or ice cream;
- (2) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;
- (3) is modeled after a type or brand of products primarily consumed by or marketed to children;
- (4) is substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;



(5) contains a synthetic cannabinoid;

(6) is made by applying a cannabinoid, including but not limited to an artificially derived cannabinoid, to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food; or

(7) if the product is an edible cannabis product or lower-potency hemp edible, contains an ingredient, other than a cannabinoid, that is not approved by the United States Food and Drug Administration for use in food.

**Subd. 2. Approval of cannabinoids.** (a) The office may designate any cannabinoid as nonintoxicating and may approve the use of any cannabinoid in lower-potency hemp edibles. The office may establish limits on the amount of an intoxicating cannabinoid that may be present in a lower-potency hemp edible.

(b) Beginning January 1, 2026, any person may petition the office to designate a cannabinoid as nonintoxicating or to allow the use of any cannabinoid in lower-potency hemp edibles. Petitions must be filed in the form and manner established by the office and must:

(1) specify the cannabinoid that is the subject of the petition;

(2) indicate whether the petition seeks to have the cannabinoid designated as nonintoxicating or approved for use in lower-potency hemp edibles;

(3) indicate whether the cannabinoid has been identified in cannabis plants, cannabis extract, hemp plant parts, or hemp extract; and

(4) include verified data, validated studies, or other evidence that is generally relied upon in the scientific community to support the petition.

(c) The office must post all final determinations on the office's publicly facing website.

(d) If the office denies a petition to designate a cannabinoid as nonintoxicating or to allow the cannabinoid's use in lower-potency hemp edibles, that denial shall be in effect for two years. Any petition filed under this subdivision within two years of a final determination denying a petition for the same cannabinoid must be summarily denied.

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

Sec. 58. Minnesota Statutes 2023 Supplement, section 342.07, subdivision 3, is amended to read:

**Subd. 3. Edible cannabinoid product handler endorsement.** (a) Any person seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must first obtain an edible cannabinoid product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabinoid product handler endorsement.

(c) The office must regulate edible cannabinoid product handlers ~~and assess penalties in the same in a manner provided for~~ consistent with Department of Agriculture regulation of food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

(1) the office must issue an edible cannabinoid product handler endorsement, rather than a license;

(2) eligibility for an edible cannabinoid product handler endorsement is limited to persons who possess a valid license issued by the office;

(3) the office may not charge a fee for issuing or renewing the endorsement;

(4) the office must align the term and renewal period for edible cannabinoid product handler endorsements with the term and renewal period of the license issued by the office; and

(5) an edible cannabis product or lower-potency hemp edible must not be considered adulterated solely because the product or edible contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) The edible cannabinoid product handler endorsement must prohibit the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. This limitation does not apply to the manufacture of lower-potency hemp edibles.

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

Sec. 59. Minnesota Statutes 2023 Supplement, section 342.09, subdivision 1, is amended to read:

Subdivision 1. **Personal adult use, possession, and transportation of cannabis flower and cannabinoid products.** (a) An individual 21 years of age or older may:

(1) use, possess, or transport cannabis paraphernalia;

(2) possess or transport two ounces or less of adult-use cannabis flower in a public place;

(3) possess two pounds or less of adult-use cannabis flower in the individual's private residence;

(4) possess or transport eight grams or less of adult-use cannabis concentrate;

(5) possess or transport edible cannabis products or lower-potency hemp edibles infused with a combined total of 800 milligrams or less of tetrahydrocannabinol;

(6) give for no remuneration to an individual who is at least 21 years of age:

(i) two ounces or less of adult-use cannabis flower;

(ii) eight grams or less of adult-use cannabis concentrate; or

(iii) an edible cannabis product or lower-potency hemp edible infused with 800 milligrams or less of tetrahydrocannabinol; and

(7) use adult-use cannabis flower and adult-use cannabis products in the following locations:

(i) a private residence, including the individual's curtilage or yard;

(ii) on private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or

(iii) on the premises of an establishment or event licensed to permit on-site consumption.

(b) Except as provided in paragraph (c), an individual may not:

(1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products if the individual is under 21 years of age;

(2) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a motor vehicle as defined in section 169A.03, subdivision 15;

(3) use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smoke, aerosol, or vapor at any location where smoking is prohibited under section 144.414;

(4) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, or in a charter school governed by chapter 124E, including all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls;

(5) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a state correctional facility;

(6) operate a motor vehicle while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(7) give for no remuneration cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age;

(8) give for no remuneration cannabis flower or cannabis products as a sample or promotional gift if the giver is in the business of selling goods or services; or

(9) vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor.

(c) The prohibitions under paragraph (b), clauses (1) to (4), do not apply to use other than by smoking or by a vaporized delivery method, possession, or transportation of medical cannabis flower or medical cannabinoid products by a patient; a registered designated caregiver; or a parent, legal guardian, or spouse of a patient.

(d) The possession limits in paragraph (a), clauses (2) to (5), do not apply to a person enrolled in the medical cannabis patient registry program under section 342.52 if the person possesses cannabis flower or cannabinoid products that include patient-specific labeling according to sections 342.51, subdivision 2, and 342.63, subdivision 4.

~~(d)~~ (e) A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the premises outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians. Cannabis flower or cannabis products must be inaccessible to children and stored away from food products.

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

Sec. 60. Minnesota Statutes 2023 Supplement, section 342.09, subdivision 3, is amended to read:

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, medical cannabis ~~processor~~ combination business, or lower-potency hemp edible manufacturer license issued under this chapter.

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

Sec. 61. Minnesota Statutes 2023 Supplement, section 342.10, is amended to read:

**342.10 LICENSES; TYPES.**

The office shall issue the following types of license:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer; and
- ~~(13) medical cannabis cultivator;~~
- ~~(14) medical cannabis processor;~~
- ~~(15) medical cannabis retailer; or~~
- ~~(16)~~ (13) medical cannabis combination business.

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

Sec. 62. Minnesota Statutes 2023 Supplement, section 342.11, is amended to read:

**342.11 LICENSES; FEES.**

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of \$500;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(3) for a cannabis cultivator:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$30,000;

(4) for a cannabis manufacturer:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$20,000;

(5) for a cannabis retailer:

(i) an application fee of \$2,500;

(ii) an initial license fee of \$2,500; and

(iii) a renewal license fee of \$5,000;

(6) for a cannabis wholesaler:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(7) for a cannabis transporter:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(8) for a cannabis testing facility:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(9) for a cannabis delivery service:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(10) for a cannabis event organizer:

(i) an application fee of \$750; and

(ii) an initial license fee of \$750;

(11) for a lower-potency hemp edible manufacturer:

(i) an application fee of \$250;

(ii) an initial license fee of \$1,000; and

(iii) a renewal license fee of \$1,000;

(12) for a lower-potency hemp edible retailer:

(i) an application fee of \$250 per retail location;

(ii) an initial license fee of \$250 per retail location; and

(iii) a renewal license fee of \$250 per retail location; and

~~(13) for a medical cannabis cultivator:~~

~~(i) an application fee of \$250;~~

~~(ii) an initial license fee of \$0; and~~

~~(iii) a renewal license fee of \$0;~~

~~(14) for a medical cannabis processor:~~

~~(i) an application fee of \$250;~~

~~(ii) an initial license fee of \$0; and~~

~~(iii) a renewal license fee of \$0;~~

~~(15) for a medical cannabis retailer:~~

~~(i) an application fee of \$250;~~

~~(ii) an initial license fee of \$0; and~~

~~(iii) a renewal license fee of \$0; and~~

~~(16)~~ (13) for a medical cannabis combination business:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$70,000.

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

Sec. 63. Minnesota Statutes 2023 Supplement, section 342.12, is amended to read:

**342.12 LICENSES; TRANSFERS; ADJUSTMENTS.**

(a) Licenses issued under this chapter that are available to all applicants pursuant to section 342.14, subdivision 1b, paragraph (c), may be freely transferred subject to the prior written approval of the office, which approval may be given or withheld in the office's sole discretion, provided that a social equity applicant may only transfer the applicant's license to another social equity applicant unless the license holder has not received a final site inspection or the license holder is a social equity applicant.

(b) Licenses issued as social equity licenses pursuant to either section 342.14, subdivision 1b, paragraph (b), or section 342.175, paragraph (b), may only be transferred to another social equity applicant for three years after the date on which the office issues the license. Three years after the date of issuance, a license holder may transfer a license to any entity. Transfer of a license that was issued as a social equity license must be reviewed by the Division of Social Equity and is subject to the prior written approval of the office.

(c) License preapproval issued pursuant to section 342.125 may not be transferred.

(d) A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

~~(b) Transfers between social equity applicants must be reviewed by the Division of Social Equity.~~

~~(e)~~ (e) Licenses must be renewed annually.

~~(d)~~ (f) License holders may petition the office to adjust the tier of a license issued within a license category provided that if the license holder meets all applicable requirements.

~~(e)~~ (g) The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, or retail location; adopt requirements for the submission of a license relocation application; establish standards for the approval of a relocation application; and charge a fee not to exceed \$250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

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

Sec. 64. Minnesota Statutes 2023 Supplement, section 342.13, is amended to read:

### **342.13 LOCAL CONTROL.**

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.



(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license if a the local unit of government informs the office that the cannabis business does not meet local zoning and land use laws. If the local unit of government does not provide the certification to the office within 30 days of receiving a copy of an application from the office, the office may issue a license.

~~(g) Upon receipt of an application for a license issued under this chapter, the office shall contact the local unit of government in which the business would be located and provide the local unit of government with 30 days in which to provide input on the application. The local unit of government may provide the office with any additional information it believes is relevant to the office's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business or sharing public information about an applicant.~~

~~(h)~~ (g) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. ~~Complaints may include alleged violations of local ordinances or other alleged violations.~~ At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness or cannabis mezzobusiness with a retail operations endorsement, ~~cannabis mezzobusiness,~~ lower-potency hemp edible retailer, ~~medical cannabis retailer,~~ or medical cannabis combination business operating a retail location poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

~~(i)~~ (h) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

~~(j)~~ (i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

~~(k)~~ (j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph ~~(i)~~ (h).

~~(k)~~ (k) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

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

Sec. 65. Minnesota Statutes 2023 Supplement, section 342.14, is amended to read:

**342.14 CANNABIS LICENSE APPLICATION AND RENEWAL; PROCEDURE.**

Subdivision 1. **Application; contents.** (a) The office ~~by rule~~ shall establish ~~forms and~~ procedures for the processing of cannabis licenses issued under this chapter. At a minimum, any application to obtain or renew a cannabis license shall include the following information, if applicable:

- (1) the name, address, and date of birth of the applicant;
- (2) the disclosure of ownership and control required under paragraph (b);
- (3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;
- (4) the address and legal property description of the business, if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;
- (5) a general description of the location or locations that the applicant plans to operate, including the planned square feet of ~~planned~~ space for cultivation, wholesaling, and retailing, as applicable;
- (6) a copy of the security plan, including security monitoring, security equipment, and facility maps if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;
- (7) proof of trade name registration;
- (8) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;
- (9) standard operating procedures for:
  - (i) quality assurance;
  - (ii) inventory control, storage, and diversion prevention; and
  - (iii) accounting and tax compliance;
- ~~(9)~~ (10) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;

(11) a description of any training and education that the applicant will provide to employees of the business;

(12) a disclosure of any violation of a license agreement or a federal, state, or local law or regulation committed by the applicant or any true party of interest in the applicant's business that is relevant to business and working conditions;

~~(10)~~ (13) certification that the applicant will comply with the requirements of this chapter ~~relating to the ownership and operation of a cannabis business;~~

~~(14)~~ (14) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; ~~and~~

~~(12)~~ (15) a statement that the applicant agrees to respond to the office's supplemental requests for information; and

(16) a release of information for the applicant and every true party of interest in the applicant's business license for the office to perform the background checks required under section 342.15.

(b) An applicant must file and update as necessary a disclosure of ownership and control identifying any true party of interest as defined in section 342.185, subdivision 1, paragraph (g). The office ~~by rule~~ shall establish the contents ~~and form~~ of the disclosure. Except as provided in paragraph (f), the disclosure shall, at a minimum, include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner, or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of the applicant's articles of incorporation and bylaws and any amendments to the applicant's articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) an explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

(c) An application may include:

(1) proof that the applicant is a social equity applicant;

(2) a description of the training and education that will be provided to any employee; or

(3) a copy of business policies governing operations to ensure compliance with this chapter.

(d) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

(e) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

(f) The office may, ~~by rule~~, establish exceptions to the disclosures required under paragraph (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

Subd. 1a. **Market stability.** Subject to the limits under subdivision 1b, paragraphs (a) to (d), the office shall issue the necessary number of licenses in order to ensure that there is a sufficient supply of cannabis flower and cannabis products to meet demand, provide market stability, ensure that there is a competitive market, and limit the sale of unregulated cannabis flower and cannabis products.

Subd. 1b. **Maximum number of licenses.** (a) Before July 1, 2026, the office may issue up to the maximum total number of licenses in each license category listed in paragraphs (b) and (c).

(b) For licenses that are available to social equity applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 75; and

(4) cannabis mezzobusiness licenses, 50.

(c) For licenses that are available to all applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 75; and

(4) cannabis mezzobusiness licenses, 50.

(d) Beginning July 1, 2026, the office must determine the number of cannabis cultivator licenses, cannabis manufacturer licenses, cannabis retailer licenses, and cannabis mezzobusiness licenses that the office will issue consistent with the goals identified in subdivision 1a. If the office makes any of those types of licenses available, the number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants.

(e) The office may issue as many licenses as the office deems necessary of a license type that is not listed in this subdivision. If the office limits the number of license types not listed in this subdivision available in any licensing period, the office must identify the number of licenses available to social equity applicants and the number of

licenses available to all applicants. The number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants. The office is not required to issue a license for a license type that is not listed in this subdivision.

(f) The office is not required to issue licenses to meet the maximum number of licenses that may be issued under paragraphs (b) and (c).

Subd. 1c. **Social equity applicant verification.** (a) The office must establish a procedure to verify that an individual seeking to apply for a cannabis business license as a social equity applicant, either as an individual or as a true party of interest who must be identified on an application, meets the requirements of section 342.17. As used in this paragraph, "true party of interest" has the meaning given in section 342.185, subdivision 1, paragraph (g).

(b) The office may announce social equity applicant verification periods and may require verification that an individual seeking to apply for a cannabis business license as a social equity applicant meets the requirements of section 342.17 before the office accepts an application from the individual.

(c) A person seeking to be verified as a social equity applicant must submit all required information on the forms and in the manner prescribed by the office.

(d) The office must issue a notice to an individual seeking to be verified as a social equity applicant stating that the office has verified the individual's status as a social equity applicant or that the office has been unable to verify the individual's status as a social equity applicant.

(e) Data collected, created, or maintained by the office pursuant to this subdivision, other than data listed in section 342.20, subdivision 2, are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12.

Subd. 2. **Licensing periods; initial application; process.** (a) The office must announce the commencement of a licensing period in advance of accepting applications for cannabis business licenses. At a minimum, the announcement must include:

(1) the types of licenses that will be available during the licensing period;

(2) if the office limits the number of a type of license that will be available, the number of that type of license available in the licensing period;

(3) the date on which the office will begin accepting applications; and

(4) the date on which the office will no longer accept applications.

(a) (b) An applicant must submit all required information and the applicable application fee to the office on the forms and in the manner prescribed by the office.

(b) (c) If the office receives an application that fails to provide the required information or pay the applicable application fee, the office shall issue a deficiency notice to the applicant. The applicant shall have ten business days to submit the required information or pay the required application fee within 14 calendar days from the date of the deficiency notice to submit the required information.

(c) (d) Failure by an applicant to submit all required information or pay the application fee to the office will result in the application being rejected.

~~(d) Upon receipt of a completed application and fee, the office shall forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.~~

~~(e) Within 90 days of receiving a completed application and the results of any required criminal history check, the office shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.~~

Subd. 3. **Review.** (a) After an applicant submits an application that contains all required information and pays the applicable licensing fee, the office must review the application.

(b) The office may deny an application if:

(1) the application is incomplete;

(2) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(3) the applicant does not meet the qualifications under section 342.16;

(4) the applicant is prohibited from holding the license under section 342.18, subdivision 2;

(5) the application does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the applicant fails to pay the applicable application fee;

(7) the application was not submitted by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

Subd. 4. **Lottery.** (a) If the number of qualified applicants who are verified social equity applicants seeking a type of license exceeds the number of licenses of that type that are made available for social equity applicants, the office must first conduct a lottery consisting of verified social equity applicants to select qualified applicants for preliminary license approval. If a social equity applicant is not selected in a lottery conducted under this paragraph, the office must include the social equity applicant in the pool of applicants for licenses of that type that are made available to all applicants.

(b) If the number of qualified applicants seeking a type of license exceeds the number of licenses of that type that are made available to all applicants, the office must conduct a lottery to select applicants for preliminary license approval.

(c) A lottery conducted under this section must be impartial, random, and in a format determined by the office.

(d) Following the completion of any lottery conducted pursuant to paragraphs (a) or (b), the office must notify each applicant entered in the lottery that the applicant was either selected or not selected in the lottery.

**Subd. 5. Background check; preliminary license approval.** (a) Before granting preliminary license approval, the office may conduct a background check of qualified applicants consistent with section 342.15.

(b) The office must issue preliminary license approval to a qualified applicant if the applicant is not disqualified under section 342.15, and:

(1) there are a sufficient number of licenses of the type the applicant is seeking for all qualified applicants to receive preliminary license approval; or

(2) the qualified applicant is selected in the lottery conducted under subdivision 4.

(c) The office must notify an applicant of the results of any background check and whether the office has granted preliminary license approval. If the office does not grant preliminary license approval, the notice must state the specific reasons for the office's decision.

**Subd. 6. Completed application; final authorization; issuance of license.** (a) Within 18 months of receiving notice of preliminary license approval, an applicant must provide:

(1) the address and legal property description of the location where the business will operate;

(2) the name of the local unit of government where the business will be located; and

(3) if applicable, an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office.

(b) Upon receipt of the information required under paragraph (a) from an applicant that has received preliminary license approval, the office must:

(1) forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code;

(2) schedule a site inspection; and

(3) require the applicant to pay the applicable license fee.

(c) The office may deny final authorization if:

(1) an applicant fails to submit any required information;

(2) the applicant submits a materially false statement about the applicant or fails to provide any required information;

(3) the office confirms that the cannabis business for which the office granted a license preapproval does not meet local zoning and land use laws;

(4) the applicant fails to pay the applicable license fee; or

(5) the office determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this chapter.

(d) Within 90 days of receiving the information required under paragraph (a) and the results of any required background check, the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Subd. 7. **Local units of government.** (a) Except as provided in paragraph (d), the office must issue a license to a city or county seeking to establish, own, or operate a single municipal cannabis store authorized under section 342.32, subdivision 5, if the city or county:

(1) submits all information required by the office;

(2) meets the minimum requirements under section 342.18, subdivision 3; and

(3) pays the applicable application and license fee.

(b) A license issued to a city or county must not be counted against the maximum number of licenses made available in a licensing period.

(c) A municipal cannabis store established, owned, or operated by a city or county must not be included in any limitation on the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, or cannabis microbusinesses with a retail operations endorsement that a local unit of government imposes or adopts pursuant to section 342.13, paragraph (i) or (j).

(d) The office may refuse to issue a license to a city or county if the office determines that the issuance of the license would be inconsistent with the goals in subdivision 1a.

(e) Nothing in this subdivision prohibits a city or county from applying for a cannabis retail license subject to the requirements and procedure applicable to all other applicants.

Subd. 8. **Reconsideration.** If the office denies an application or denies final authorization and does not issue a license after granting preliminary license approval, the applicant may seek reconsideration from the office. A decision by the office on a request for reconsideration is final.

Subd. 9. **Retention.** (a) If the office holds a lottery as provided in subdivision 4, the office must retain the applications of any applicant not selected in the lottery for one year. The office must consider a retained application during any licensing periods that begin within the year and, except as otherwise provided in this subdivision, the office must treat a retained application as if the application were submitted during the licensing period.

(b) At the beginning of a subsequent licensing period, the applicant may amend an application or provide additional information to the office. The office may request additional information from any applicant whose application is retained to determine if the applicant meets the requirements for a subsequent licensing period. If the applicant does not provide the requested information to the office within 14 calendar days of the office's request, the office may deny the application.



(c) The office must not charge an additional application fee to an applicant whose application was retained by the office.

(d) An applicant may withdraw a retained application at any time. If the applicant withdraws a retained application, the applicant may submit a new application during a licensing period. An applicant who submits a new application must pay the applicable application fee.

(e) The office may disqualify an application from retention if the office could deny the application under subdivision 3, paragraph (a).

**Subd. 10. Revocation or expiration of preliminary approval.** (a) A preliminary license approval expires after 18 months unless the office revokes the preliminary license approval or grants an extension. The office may grant a onetime extension of up to six months if an applicant has made good faith efforts to convert a preliminary license approval into a license. The office must not issue a license to an applicant whose preliminary license approval has expired.

(b) If the office determines that an applicant is not eligible for a license, the office may revoke a preliminary license approval.

(c) The office must notify an applicant if the office revokes the applicant's preliminary license approval or if the applicant's preliminary license approval expires.

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

Sec. 66. Minnesota Statutes 2023 Supplement, section 342.15, subdivision 1, is amended to read:

Subdivision 1. **Criminal history check.** (a) Upon request by the office, every license applicant, license holder, or, in the case of a business entity, every individual responsible for conducting the affairs of the entity, including but not limited to every owner and every cooperative member or director, manager, and general partner of the business entity, for a cannabis business license, ~~or in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, and prospective cannabis worker~~ must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension.

~~(b)~~ After receiving this information, the bureau must conduct a Minnesota state criminal history records check of ~~the license applicant or prospective cannabis worker~~ an individual identified in paragraph (a). The bureau may exchange ~~a license applicant's or prospective cannabis worker's~~ an individual's fingerprints with the Federal Bureau of Investigation to obtain the ~~license applicant's or prospective cannabis worker's~~ national criminal history record information of the individual. The bureau must return the results of the Minnesota state and federal criminal history records checks to the office to determine if the ~~license applicant or prospective cannabis worker~~ individual is disqualified under rules adopted pursuant to this section.

~~(b)~~ (c) The office may, by rule, establish exceptions to the requirement under ~~paragraph~~ paragraphs (a) and (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

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

Sec. 67. Minnesota Statutes 2023 Supplement, section 342.15, subdivision 2, is amended to read:

Subd. 2. **Criminal offenses; disqualifications.** (a) The office may by rule determine whether any felony convictions ~~shall~~, including but not limited to convictions for noncannabis controlled substance crimes in the first or second degree, human trafficking, labor trafficking, fraud, or financial crimes, disqualify ~~a person~~ an individual from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify ~~a person~~ an individual for a violation of section 152.025.

(b) The office must not issue a cannabis business license to any person or business who was convicted of illegally selling cannabis after August 1, 2023, unless five years have passed since the date of conviction.

(c) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of violation. The office may set aside the violation if the office finds that the violation occurred as a result of a mistake made in good faith and the violation did not involve gross negligence, an illegal sale of cannabis, or cause harm to the public. The office must not issue a license to any person or business who the office has assessed a fine to under section 342.09, subdivision 6.

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

Sec. 68. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a subdivision to read:

Subd. 5. **Civil and regulatory offenses; disqualifications.** The office may determine whether any civil or regulatory violations, as determined by another state agency, local unit of government, or any other jurisdiction, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or disqualify an individual from working for a cannabis business, and the length of the disqualification. Upon the office's request, a state agency, as defined in section 13.02, subdivision 17, except for the Department of Revenue, may release civil investigative data, including data classified as protected nonpublic or confidential under section 13.39, subdivision 2, if the request is related to a specific applicant and the data is necessary to make a determination under this section.

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

Sec. 69. **[342.151] EMPLOYEES OF LICENSE HOLDERS.**

Subdivision 1. **Definitions.** For purposes of this section, a "license holder" includes a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis retailer, cannabis wholesaler, cannabis transporter, cannabis testing facility, cannabis event organizer, cannabis delivery service, lower-potency hemp edible manufacturer, lower-potency hemp edible retailer, or medical cannabis combination business.

Subd. 2. **Criminal history check.** A license holder may employ or contract with as many unlicensed individuals as may be necessary, provided that the license holder is at all times accountable for the good conduct of every individual employed by or contracted with the license holder. Before hiring an individual as a cannabis worker, the license holder must submit to the Bureau of Criminal Apprehension the individual's full set of fingerprints and written consent for the bureau to conduct a state and national criminal history check. The bureau may exchange an individual's fingerprints with the Federal Bureau of Investigation. The Bureau of Criminal Apprehension must determine whether the individual is qualified to be employed as a cannabis worker and must notify the license holder of the bureau's determination. The license holder must not employ an individual who is disqualified from being employed as a cannabis worker.

**Subd. 3. Disqualification.** (a) A license holder must not employ an individual as a cannabis worker if the individual has been convicted of any of the following crimes that would constitute a felony:

- (1) human trafficking;
- (2) noncannabis controlled substance crimes in the first or second degree;
- (3) labor trafficking;
- (4) fraud;
- (5) embezzlement;
- (6) extortion;
- (7) money laundering; or
- (8) insider trading;

if committed in this state or any other jurisdiction for which a full pardon or similar relief has not been granted.

(b) A license holder must not employ an individual as a cannabis worker if the individual made any false statement in an application for employment.

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

Sec. 70. Minnesota Statutes 2023 Supplement, section 342.16, is amended to read:

**342.16 CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.**

(a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:

- (1) be at least 21 years of age;
- (2) have completed an application for licensure or application for renewal;
- (3) have paid the applicable application fee and license fee;
- (4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;
- (5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;
- (6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);
- (7) never have had a license previously issued under this chapter revoked, and never have had a cannabis license, a registration, an agreement, or another authorization to operate a cannabis business issued under the laws of another state revoked;

- (8) have filed any previously required tax returns for a cannabis business;
- (9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;
- (10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;
- (11) not be disqualified under section 342.15;
- (12) not employ an individual who is disqualified from working for a cannabis business under this chapter; ~~and~~
- (13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held; and
- (14) not have had any confirmed labor violation with the Department of Labor, National Labor Relations Board, or the Occupational Safety and Health Administration within the last five years.

(b) A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

- (1) holding a direct or indirect economic interest in a cannabis business;
- (2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or
- (3) advertising with a cannabis business in any way.

(c) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

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

Sec. 71. Minnesota Statutes 2023 Supplement, section 342.17, is amended to read:

**342.17 SOCIAL EQUITY APPLICANTS.**

- (a) An applicant qualifies as a social equity applicant if the applicant:
  - (1) was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;
  - (2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;
  - (3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;
  - (4) is a military veteran, including a service-disabled veteran, current or former member of the national guard, ~~or any~~;

(5) is a military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana;

~~(5)~~ (6) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods;

(i) that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), ~~and reported in the preliminary report, final report, or both~~ or another report based on federal or state data on arrests or convictions;

(ii) where the poverty rate was 20 percent or more;

(iii) where the median family income did not exceed 80 percent of the statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area;

(iv) where at least 20 percent of the households receive assistance through the Supplemental Nutrition Assistance Program; or

(v) where the population has a high level of vulnerability according to the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index; or

(6) is an emerging farmer as defined in section 17.055, subdivision 1; or

(7) has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least \$5,000 but not more than \$100,000 in the previous year.

(7) has been a resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the United States Bureau of the Census, either:

(i) the poverty rate was 20 percent or more; or

(ii) the median family income did not exceed 80 percent of statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, ~~every cooperative member or director, manager, and general partner~~ apply to at least 65 percent of the controlling ownership of the business entity.

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

Sec. 72. **[342.175] SOCIAL EQUITY LICENSE CLASSIFICATION.**

(a) The office must classify licenses listed in section 342.10, clauses (1) to (10) and (13) as:

(1) available to social equity applicants who meet the requirements of section 342.17; and

(2) available to all applicants.

(b) The office must classify any license issued to a social equity applicant as a social equity license.

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

Sec. 73. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 2, is amended to read:

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses ~~or~~ mezzobusiness licenses, ~~or medical cannabis combination business licenses,~~ or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

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

Sec. 74. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 3, is amended to read:

Subd. 3. **~~Application score; license priority~~ review.** (a) The office shall ~~award points to~~ review each completed application for a license to operate a cannabis business in the following categories:

~~(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);~~

~~(2) status as a veteran or retired national guard applicant who does not meet the definition of social equity applicant;~~

~~(3)~~ (1) security and record keeping;

~~(4)~~ (2) employee training plan;

~~(5)~~ (3) business plan and financial situation;

~~(6)~~ (4) labor and employment practices;

~~(7)~~ (5) knowledge and experience; and

~~(8)~~ (6) environmental plan.

~~(b) The office may award additional points to an application if the license holder would expand service to an underrepresented market, including but not limited to participation in the medical cannabis program.~~

~~(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant, including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.~~

~~(d)~~ (b) The office shall establish policies and guidelines, which the office must be made make available to the public, regarding the ~~number of points available~~ minimum qualifications in each category and the ~~basis for awarding those points. Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants~~ criteria that the office uses to determine whether an applicant meets the minimum qualifications in each category.

~~(c) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities.~~

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

Sec. 75. Minnesota Statutes 2023 Supplement, section 342.18, is amended by adding a subdivision to read:

Subd. 5. **Conversion to hemp business license.** (a) After the office adopts initial rules pursuant to section 342.02, subdivision 5, the office may permit a person selling edible cannabinoid products who has registered pursuant to section 151.72, subdivision 5b, to convert the registration to a comparable hemp business license if:

- (1) the registration was active before the office adopted initial rules;
- (2) the person submits documentation to the office sufficient to meet the minimum requirements in section 342.44;
- (3) the person pays the applicable application and licensing fee as required by section 342.11; and
- (4) the person is in good standing with the state.

(b) A person selling edible cannabinoid products who has registered pursuant to section 151.72, subdivision 5b, and remains in good standing with the state may continue operations under an active registration for the longer of:

- (1) 30 days after the date that the office begins accepting applications for hemp business licenses; or
- (2) if the person submits an application for a hemp business license, until the office makes a determination regarding the registrant's application.

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

Sec. 76. **[342.185] TRUE PARTY OF INTEREST.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Control" means the power to independently order or direct the management, managers, or policies of a cannabis business.

(c) "Financial institution" means any bank, mutual savings bank, consumer loan company, credit union, savings and loan association, trust company, or other lending institution under the jurisdiction of the Minnesota Department of Commerce, the United States Department of Commerce, or both.

(d) "Financier" means any person that:

- (1) is not a financial institution or government entity;
- (2) provides money as a gift, grant, or loan to an applicant for a cannabis business license, a cannabis business, or both; and
- (3) expects to be repaid for the money provided, with or without reasonable interest.

(e) "Gross profit" means sales minus the cost of goods sold.

(f) "Revenue" means the income generated from the sale of goods and services associated with the main operations of a business before any costs or expenses have been deducted.

(g) "True party of interest" means an individual who as an individual or as part of another business:

(1) is a sole proprietor of a sole proprietorship;

(2) is a partner in a general partnership;

(3) is a general partner or limited partner in a limited partnership, a limited liability partnership, or a limited liability limited partnership;

(4) is a member of a limited liability company or a manager in a limited liability company;

(5) is a corporate officer or director or holds an equivalent title in a privately held corporation;

(6) is a stockholder in a privately held corporation;

(7) is part of a multilevel ownership structure;

(8) has membership rights to a nonprofit corporation in accordance with the provisions of the articles of incorporation or bylaws for the nonprofit corporation;

(9) has the right to receive some or all of the revenue, gross profit, or net profit from a cannabis business during any full or partial calendar or fiscal year; or

(10) has the right to exercise control over a cannabis business.

True party of interest does not include:

(1) an individual receiving payment for rent on a fixed basis under a lease or rental agreement;

(2) an employee of a cannabis business who receives a salary or hourly rate compensation if the employee does not otherwise hold an ownership interest in the cannabis business or have the right to exercise control over the cannabis business;

(3) an individual who receives a bonus or commission based on the individual's sales, if the bonus or commission does not exceed ten percent of the individual's sales in any given bonus or commission period and the terms of the bonus or commission-based compensation agreement is in writing;

(4) an individual with an ownership interest held or acquired solely for the purpose of passive investment as described in Code of Federal Regulations, title 31, section 800.243;

(5) an individual contracting with a cannabis business to receive a commission for the sale of a business or real property;

(6) a consultant receiving a flat or hourly rate compensation under a written contractual agreement;



(7) any person with a contract or an agreement for services with a cannabis business, such as a branding or staffing company, as long as that person does not obtain any ownership or control of the cannabis business; or

(8) a financial institution.

Subd. 2. **Application number limitations.** An individual may not be a true party of interest for more than one application for (1) any single type of license, or (2) multiple types of licenses if the individual would be prohibited from holding the licenses under section 342.18, subdivision 2. The limitation does not apply to an individual who holds no more than ten percent ownership of the business entity.

Subd. 3. **License number limitations.** An individual may not be a true party of interest for more than one license unless explicitly allowed by this chapter. The limitation does not apply to an individual who holds ten percent or less controlling ownership of the business entity.

Subd. 4. **Notification.** Except as otherwise provided in this subdivision, a cannabis business has a continuing duty to disclose the source of all money that will be invested in the cannabis business, including but not limited to all money obtained from financiers, before investing the money in the cannabis business. The notice requirement under this section does not apply to:

(1) revenues of a licensed cannabis business that are reinvested in the business; and

(2) proceeds of a revolving loan unless the source of the money has changed or the approved loan amount has increased.

Subd. 5. **Disclosure agreements and intellectual property.** A cannabis business must not enter into an intellectual property agreement with another cannabis business if a single entity could not hold licenses for both types of cannabis business.

Subd. 6. **Financiers.** A financier may not receive an ownership interest, control of a business, a share of revenue, gross profits or net profits, a profit sharing interest, or a percentage of the profits in exchange for a loan or gift of money, unless the financier, if directly involved in the loaning of money, has been disclosed to the office as a true party of interest.

Subd. 7. **Disclosure requirements.** An applicant for a cannabis business license and cannabis business license holders must disclose all true parties of interest. Applicants and license holders have a continuing duty to notify the office of any change in true parties of interest in the form and manner specified by the office.

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

Sec. 77. Minnesota Statutes 2023 Supplement, section 342.19, is amended by adding a subdivision to read:

Subd. 6. **Inspection of unlicensed businesses and facilities.** (a) The office may inspect any commercial premises that is not licensed under this chapter where cultivation, manufacturing, processing, or sale of cannabis plants, cannabis flower, cannabis concentrate, artificially derived cannabinoids, hemp-derived consumer products, or edible cannabinoid products is taking place.

(b) A representative of the office performing an inspection under this subdivision must present appropriate credentials to the owner, operator, or agent in charge and clearly state the purpose of the inspection.

(c) After providing the notice required under paragraph (b), a representative of the office may enter the commercial premises and perform any of the following to determine if any person is engaging in activities that are regulated by this chapter and not authorized without the possession of a license and to determine the appropriate penalty under section 342.09, subdivision 6:

(1) inspect and investigate the commercial premises;

(2) inspect and copy records; and

(3) question privately any employer, owner, operator, agent, or employee of the commercial operation.

(d) Entry of a commercial premises must take place during regular working hours or at other reasonable times.

(e) If the office finds any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product on the inspected commercial premises, the office may either immediately seize the item or affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, possessed or distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court. It is unlawful for a person to remove or dispose of a detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction may be treated as a sale for the purposes of imposing a penalty pursuant to section 342.09, subdivision 6.

(f) If the office has seized, detained, or embargoed any item pursuant to paragraph (e), the office must:

(1) petition the district court in the county in which the item was found for an order authorizing destruction of the product; and

(2) notify the county attorney in the county where the item was found of the office's actions.

(g) If the court finds that the seized, detained, or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product was possessed or distributed in violation of this chapter or rules adopted under this chapter, the office may destroy the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product at the expense of the person who possessed or distributed the item in violation of this chapter and all court costs, fees, storage, and other proper expenses must be assessed against the person or the person's agent.

(h) The provisions of subdivision 2, paragraph (f) apply to any analysis or examination performed under this subdivision.

(i) The authorization under paragraph (e) does not apply to any cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product lawfully purchased for personal use.

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

Sec. 78. Minnesota Statutes 2023 Supplement, section 342.22, is amended to read:

**342.22 RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.**

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness ~~with a retail operations endorsement~~, cannabis mezzobusiness ~~with a retail operations endorsement~~, cannabis retailer, ~~medical cannabis retailer~~, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of \$500 or up to half the amount of the applicable initial license fee under section 342.11, whichever is less. The local unit of government may also impose a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee under section 342.11, whichever is less. The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

~~(c) A cannabis business with a cannabis retailer license and a medical cannabis retailer license for the same location may only be charged a single registration fee.~~

~~(d)~~ (c) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis ~~retailer~~ combination business operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or license preapproval issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with ~~the any applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products that may be sold~~ local ordinance established pursuant to section 342.13.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. ~~The checks~~ During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements, the and compliance with any applicable operation requirements, and the applicable limits on the types of cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products being sold local ordinance established pursuant to section 342.13.

(b) ~~The A~~ A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

~~(c) Checks to ensure compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products that may be sold must be performed at least once each calendar year and may be performed by a law enforcement officer or an employee of the local unit of government.~~

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of ~~this chapter~~ a local ordinance authorized under section 342.13 or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

~~(e) No cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration with a local unit of government and a valid license with any applicable endorsement from the office. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.~~

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

Sec. 79. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 1, is amended to read:

Subdivision 1. **Individuals under 21 years of age.** (a) A cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope of work involves the handling of cannabis plants, cannabis flower, artificially derived cannabinoids, or cannabinoid products.

(b) A cannabis business may not permit an individual under 21 years of age to enter the business premises other than entry by a patient person enrolled in the registry program.

(c) A cannabis business may not sell or give cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age unless the individual is ~~a patient, registered designated caregiver, or a parent, legal guardian, or spouse of a patient who is authorized to use, possess, or transport medical cannabis flower or medical cannabinoid products~~ enrolled in the registry program and the cannabis business holds a medical cannabis retail endorsement.

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

Sec. 80. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 2, is amended to read:

Subd. 2. **Use of cannabis flower and products within a licensed cannabis business.** (a) A cannabis business may not permit an individual who is not an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption.

(b) Except as otherwise provided in this subdivision, a cannabis business may not permit an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment.

(c) A cannabis business may permit an employee to use medical cannabis flower and medical cannabinoid products if that individual is a patient enrolled in the registry program.

(d) For quality control, employees of a licensed cannabis business may sample cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products. Employees may not interact directly with customers for at least three hours after sampling a product. Employees may not consume more than three samples in a single 24-hour period. All samples must be recorded in the statewide monitoring system.

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

Sec. 81. Minnesota Statutes 2023 Supplement, section 342.28, is amended by adding a subdivision to read:

Subd. 1a. **Cannabis research.** An institution of higher education, any department or program of an institution of higher education that is regionally or nationally accredited, and any entity working in partnership with an institution of higher education may apply for a cannabis microbusiness license to conduct cannabis crop research. A cannabis researcher with a cannabis microbusiness license may perform activities identified in subdivision 1, clauses (1) to (9) and (13). Cannabis plants and cannabis flower grown for research purposes must not be offered for sale or otherwise enter the stream of commerce. As used in this subdivision, "institution of higher education" has the meaning given in sections 135A.51, subdivision 5, and 136A.28, subdivision 6.

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

Sec. 82. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 2, is amended to read:

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis at an indoor facility may cultivate up to 5,000 square feet of plant canopy. The office may adjust plant canopy limits for licensed businesses upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each

licensing period, the office may adjust plant canopy limits upward or downward for licenses that will be issued in that period to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than 5,000 square feet of plant canopy.

(b) A cannabis microbusiness that cultivates cannabis at an outdoor location may cultivate up to one-half acre of mature, flowering plants ~~unless the office increases that limit. The office may increase the limit to no more than one acre if the office determines that expansion is~~ for licensed businesses to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each licensing period, the office may adjust the limit upward or downward for licenses that will be issued in that period to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than one-half acre of mature, flowering plants.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis microbusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 5,000 square feet in a year, but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

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

Sec. 83. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 4, is amended to read:

Subd. 4. **Exception.** ~~The requirement of (a)~~ An attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement is not required as part of an application for a cannabis microbusiness license.

(b) When renewing a cannabis microbusiness license, a cannabis microbusiness with ten or more full-time equivalent employees must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

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

Sec. 84. Minnesota Statutes 2023 Supplement, section 342.28, is amended by adding a subdivision to read:

Subd. 11. **Transportation between facilities.** A cannabis microbusiness may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis microbusiness if the cannabis microbusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

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

Sec. 85. Minnesota Statutes 2023 Supplement, section 342.29, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license ~~and a medical cannabis retailer license.~~

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 86. Minnesota Statutes 2023 Supplement, section 342.29, is amended by adding a subdivision to read:

Subd. 8a. **Multiple endorsements required.** Within 18 months of receiving a cannabis mezzobusiness license, a cannabis mezzobusiness must obtain at least two of the endorsements identified in subdivisions 5, 6, 7, and 8. If a cannabis mezzobusiness fails to obtain multiple endorsements within 18 months, the office may suspend, revoke, or not renew the license as provided in section 342.21.

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

Sec. 87. Minnesota Statutes 2023 Supplement, section 342.29, is amended by adding a subdivision to read:

Subd. 10. **Transportation between facilities.** A cannabis mezzobusiness may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis mezzobusiness if the cannabis mezzobusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

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

Sec. 88. Minnesota Statutes 2023 Supplement, section 342.30, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis cultivator license may also hold a cannabis manufacturing license, ~~medical cannabis cultivator license, medical cannabis producer license,~~ license to grow industrial hemp, and cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis cultivator license may own or operate any other cannabis business or hemp business. This prohibition does not prevent the transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis cultivator licenses a person, cooperative, or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 89. Minnesota Statutes 2023 Supplement, section 342.31, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis manufacturer license may also hold a cannabis cultivator license, ~~a medical cannabis cultivator license, a medical cannabis processor license,~~ and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis manufacturer license may own or operate any other cannabis business or hemp business. This prohibition does not prevent transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis manufacturer licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 90. Minnesota Statutes 2023 Supplement, section 342.32, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis retailer license may also hold a cannabis delivery service license, ~~a medical cannabis retailer license,~~ and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis retailer license may own or operate any other cannabis business or hemp business.

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

(e) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 91. Minnesota Statutes 2023 Supplement, section 342.35, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers,



lower-potency hemp edible manufacturers, ~~medical cannabis retailers, medical cannabis processors,~~ and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible retailers, ~~medical cannabis processors, medical cannabis retailers,~~ and medical cannabis combination businesses and perform other actions approved by the office.

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

Sec. 92. Minnesota Statutes 2023 Supplement, section 342.37, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical cannabis cultivators, medical cannabis processors,~~ medical cannabis combination businesses, and industrial hemp growers.

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

Sec. 93. Minnesota Statutes 2023 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis combination businesses operating a retail location, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products;

(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

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

Sec. 94. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, ~~medical cannabis retailers,~~ and medical cannabis combination businesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

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

Sec. 95. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 3, is amended to read:

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis delivery service license may also hold a cannabis retailer license, a cannabis wholesaler license, a cannabis transporter license, and a cannabis event organizer license, ~~and a medical cannabis retailer license~~ subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis delivery service license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis delivery service licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 96. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 6, is amended to read:

Subd. 6. **Compliant products.** (a) A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles offered for sale comply with the limits on the amount and types of cannabinoids that a lower-potency hemp edible can contain, including but not limited to the requirement that lower-potency hemp edibles:

(1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, no more than 25 milligrams of cannabidiol, no more than 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;

(2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and

(3) do not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol.

(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency hemp edible must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving may be used for any edible cannabinoid products that are intended to be combined with food or beverage products prior to consumption. If the lower-potency hemp edible is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.

(c) A single package containing multiple servings of a lower-potency hemp edible must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.

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

Sec. 97. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 8, is amended to read:

Subd. 8. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) A lower-potency hemp edible retailer must ensure that lower-potency hemp edibles sold for on-site consumption comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of ~~their~~ the edibles' packaging ~~provided that~~ if the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site ~~provided that~~ if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment ~~provided that~~ if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under subdivision 7, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell, give, furnish, or in any way procure for another lower-potency hemp edibles to a customer who the lower-potency hemp edible retailer knows or reasonably should know is intoxicated or has consumed alcohol within the previous five hours for the use of an obviously intoxicated person;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the products' packaging to be removed from the premises of the lower-potency hemp edible retailer.

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

Sec. 98. **[342.465] LOWER-POTENCY HEMP EDIBLES; PROHIBITED CONDUCT.**

No person may sell, give, furnish, or in any way procure for another lower-potency hemp edibles for the use of an obviously intoxicated person.

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

Sec. 99. Minnesota Statutes 2023 Supplement, section 342.51, is amended to read:

**342.51 MEDICAL CANNABIS RETAILERS ENDORSEMENTS.**

Subdivision 1. **Endorsement; authorized actions.** (a) The office may issue a medical cannabis endorsement to a cannabis business authorizing the business to:

(1) cultivate medical cannabis;

(2) process medical cannabinoid products; or

(3) sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) The office must issue a medical cannabis cultivation endorsement to a cannabis license holder if the license holder:

(1) is authorized to cultivate cannabis;

(2) submits a medical cannabis endorsement application to the office; and

(3) otherwise meets all applicable requirements established by the office.

(c) A medical cannabis cultivation endorsement entitles the license holder to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis flower, sell medical cannabis flower to cannabis businesses with a medical cannabis endorsement, and perform other actions approved by the office.

(d) The office must issue a medical cannabis processor endorsement to a cannabis license holder if the license holder:

(1) is authorized to manufacture cannabis products;

(2) submits a medical cannabis endorsement application to the office; and

(3) otherwise meets all applicable requirements established by the office.

(e) A medical cannabis processor endorsement entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from cannabis businesses with a medical cannabis cultivator endorsement or a medical cannabis processor endorsement;

(2) purchase hemp plant parts from industrial hemp growers;

(3) make cannabis concentrate from medical cannabis flower;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture medical cannabinoid products;

(6) package and label medical cannabinoid products for sale to cannabis businesses with a medical cannabis processor endorsement or a medical cannabis retailer endorsement; and

(7) perform other actions approved by the office.

(f) The office must issue a medical cannabis retailer endorsement to a cannabis license holder if the license holder:

(1) submits a medical cannabis retail endorsement application to the office;

(2) has at least one employee who earned a medical cannabis consultant certificate issued by the office and has completed the required training or has at least one employee who is a licensed pharmacist under chapter 151; and

(3) otherwise meets all applicable requirements established by the office.

(g) A medical cannabis ~~retailer license holder~~ retail endorsement entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from ~~medical cannabis cultivators and medical cannabis processors~~ cannabis businesses with medical cannabis cultivator endorsements and medical cannabis processor endorsements, and sell or distribute medical cannabis flower ~~and~~ medical cannabinoid products, and associated paraphernalia to any person authorized to receive medical cannabis flower or medical cannabinoid products.

~~(b)~~ (h) A medical cannabis ~~retailer license holder~~ business with a medical cannabis retail endorsement must verify that all medical cannabis flower and medical cannabinoid products have passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower and medical cannabinoid products before the ~~medical cannabis retailer~~ cannabis business with a medical cannabis retail endorsement may distribute the medical cannabis flower or medical cannabinoid product to any person ~~authorized to receive medical cannabis flower or medical cannabinoid products~~ enrolled in the registry program.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, ~~a medical cannabis retailer licensee~~ to a person enrolled in the registry program, an employee with a valid medical cannabis consultant certificate issued by the office or a licensed pharmacist under chapter 151 must:

- (1) review and confirm the patient's enrollment in the registry ~~verification~~ program;
- (2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures ~~specified in section 152.11, subdivision 2d~~ established by the office;
- ~~(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and~~
- (3) provide consultation to the patient to determine the proper medical cannabis flower or medical cannabinoid product, dosage, and paraphernalia for the patient if required under subdivision 3;
- (4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required ~~by rules adopted by the office;~~ and
- (5) provide the patient with any other information required by the office.

(b) A cannabis business with a medical cannabis ~~retailer~~ retail endorsement may not deliver medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program unless the cannabis business with a medical cannabis ~~retailer~~ retail endorsement also holds a cannabis delivery service license. The delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.

Subd. 3. **Final approval for distribution of medical cannabis flower and medical cannabinoid products.** (a) A cannabis worker who is employed by a cannabis business with a medical cannabis ~~retailer and retail endorsement~~ who is licensed as a pharmacist pursuant to chapter 151 ~~shall be or certified as a medical cannabis consultant by the office~~ is the only person who may give final approval for the distribution of medical cannabis flower and medical cannabinoid products. Prior to the distribution of medical cannabis flower or medical cannabinoid products, a pharmacist or certified medical cannabis consultant employed by the cannabis business with a medical cannabis ~~retailer~~ retail endorsement must consult with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia, and the proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product- intended for distribution:

- (1) if the patient is purchasing the medical cannabis flower or medical cannabinoid product for the first time;

(2) if the patient purchases medical cannabis flower or a medical cannabinoid product that the patient must administer using a different method than the patient's previous method of administration;

(3) if the patient purchases medical cannabis flower or a medical cannabinoid product with a cannabinoid concentration of at least double the patient's prior dosage; or

(4) upon the request of the patient.

(b) For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist or consultant engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

~~(b) Notwithstanding paragraph (a), a pharmacist consultation is not required prior to the distribution of medical cannabis flower or medical cannabinoid products when a medical cannabis retailer is distributing medical cannabis flower or medical cannabinoid products to a patient according to a patient specific dosage plan established with that medical cannabis retailer and is not modifying the dosage or product being distributed under that plan. Medical cannabis flower or medical cannabinoid products distributed under this paragraph must be distributed by a pharmacy technician employed by the medical cannabis retailer.~~

~~Subd. 4. **90-day supply.** A medical cannabis retailer shall not distribute more than a 90-day supply of medical cannabis flower or medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient according to the dosages established for the individual patient.~~

~~Subd. 5. **Distribution to recipient in a motor vehicle.** A cannabis business with a medical cannabis ~~retailer~~ retail endorsement may distribute medical cannabis flower and medical cannabinoid products to a ~~patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient~~ person enrolled in the registry program who is at a dispensary location but remains in a motor vehicle, ~~provided that if:~~~~

(1) staff receive payment and distribute medical cannabis flower and medical cannabinoid products in a designated zone that is as close as feasible to the front door of the facility;

(2) the cannabis business with a medical cannabis ~~retailer~~ retail endorsement ensures that the receipt of payment and distribution of medical cannabis flower and medical cannabinoid products are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards;

(3) the cannabis business with a medical cannabis ~~retailer~~ retail endorsement does not store medical cannabis flower or medical cannabinoid products outside a restricted access area and staff transport medical cannabis flower and medical cannabinoid products from a restricted access area to the designated zone for distribution only after confirming that the ~~patient, designated caregiver, or parent, guardian, or spouse~~ person enrolled in the registry program has arrived in the designated zone;

(4) the payment for and distribution of medical cannabis flower and medical cannabinoid products take place only after a ~~pharmacist consultation takes place, if required under subdivision 3~~ meeting the requirements in subdivision 2;

(5) immediately following the distribution of medical cannabis flower or medical cannabinoid products, staff ~~enter~~ record the transaction in the statewide monitoring system; and

(6) immediately following the distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

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

Sec. 100. Minnesota Statutes 2023 Supplement, section 342.515, is amended to read:

**342.515 MEDICAL CANNABIS COMBINATION BUSINESSES.**

Subdivision 1. **Authorized actions.** (a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any other cannabis business or hemp business or holding an active registration agreement under section 152.25, subdivision 1.

(b) A person or business may hold only one medical cannabis combination business license.

(c) A medical cannabis combination business license entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest adult-use cannabis flower and medical cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

(5) manufacture medical cannabinoid products;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, ~~a medical cannabis cultivator~~, or another medical cannabis combination business;

(8) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, ~~a medical cannabis processor~~, or another medical cannabis combination business;

(10) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;



(11) package and label medical cannabis flower and medical cannabinoid products for sale to cannabis businesses with a medical cannabis processors processor endorsement, cannabis businesses with a medical cannabis retailers retail endorsement, other medical cannabis combination businesses, and patients-enrolled persons in the registry program, ~~registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;~~

(12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(13) sell medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(14) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(15) perform other actions approved by the office.

(d) A medical cannabis combination business is not required to obtain a medical cannabis endorsement to perform any actions authorized under this section.

Subd. 2. **Cultivation; size limitations.** (a) A medical cannabis combination business may cultivate cannabis to be sold as medical cannabis flower or used in medical cannabinoid products in an area of up to 60,000 square feet of plant canopy subject to the limits on adult-use cannabis cultivation in paragraph (c). A medical cannabis combination business may cultivate cannabis and manufacture cannabis in more than one location, except the aggregate total of plant canopy in all locations must count toward the business' canopy limit.

(b) A medical cannabis combination business may cultivate cannabis to be sold as adult-use cannabis flower or used in adult-use cannabis products in an area authorized by the office as described in paragraph (c).

(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult-use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.

Subd. 3. **Manufacturing; size limitations.** The office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate.

Subd. 4. **Retail locations.** A medical cannabis combination business may operate up to one retail location in each congressional district. A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.

Subd. 5. **Failure to participate; suspension or revocation of license.** The office may suspend or revoke a medical cannabis combination business license if the office determines that the business is no longer actively participating in the medical cannabis market. The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.

Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.

Subd. 7. **Transportation between facilities.** A medical cannabis combination business may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the medical cannabis combination business if the medical cannabis combination business:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

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

Sec. 101. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 1, is amended to read:

Subdivision 1. **Administration.** The ~~Division of Medical Cannabis~~ office must administer the medical cannabis patient registry program.

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

Sec. 102. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 2, is amended to read:

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the ~~Division of Medical Cannabis~~ office an application established by the ~~Division of Medical Cannabis~~ office and a copy of the certification specified in paragraph (b) or, if the patient is a veteran ~~who receives care from the United States Department of Veterans Affairs~~, the information ~~required~~ requested by the office pursuant to subdivision 3. The patient must provide at least the following information in the application:

(1) the patient's name, mailing address, and date of birth;

(2) the name, mailing address, and telephone number of the patient's health care practitioner;

(3) the name, mailing address, and date of birth of the patient's registered designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as the patient's caregiver;

(4) a disclosure signed by the patient that includes:

(i) a statement that, notwithstanding any law to the contrary, the office of Cannabis Management, the ~~Division of Medical Cannabis~~, or an employee of the office of Cannabis Management or ~~Division of Medical Cannabis~~ may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by an act or omission while acting within the employee's scope of office or employment under this section; and

(ii) the patient's acknowledgment that enrollment in the registry program is conditional on the patient's agreement to meet all other requirements of this section; and

(5) all other information required by the ~~Division of Medical Cannabis~~ office.

(b) As part of the application under this subdivision, a patient must submit a copy of a certification from the patient's health care practitioner that is dated within 90 days prior to the submission of the application and that certifies that the patient has been diagnosed with a qualifying medical condition.

(c) A patient's health care practitioner may submit a statement to the ~~Division of Medical Cannabis office~~ declaring that the patient is no longer diagnosed with a qualifying medical condition. Within 30 days after receipt of a statement from a patient's health care practitioner, the ~~Division of Medical Cannabis office~~ must provide written notice to a patient stating that the patient's enrollment in the registry program will be revoked in 30 days unless the patient submits a certification from a health care practitioner that the patient is currently diagnosed with a qualifying medical condition or, if the patient is a veteran, the patient submits confirmation that the patient is currently diagnosed with a qualifying medical condition in a form and manner consistent with the information required for an application made pursuant to subdivision 3. If the ~~Division of Medical Cannabis office~~ revokes a patient's enrollment in the registry program pursuant to this paragraph, the division must provide notice to the patient and to the patient's health care practitioner.

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

Sec. 103. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 3, is amended to read:

Subd. 3. **Application procedure for veterans.** (a) The ~~Division of Medical Cannabis office~~ shall establish an alternative certification procedure for veterans ~~who receive care from the United States Department of Veterans Affairs to confirm that the veteran has been diagnosed with a qualifying medical condition~~ enroll in the patient registry program.

(b) ~~A The office may request that a patient who is also a veteran and is seeking to enroll in the registry program must submit to the Division of Medical Cannabis office a copy of the patient's veteran identification card and an application established by the Division of Medical Cannabis that includes the information identified in subdivision 2, paragraph (a), and the additional information required by the Division of Medical Cannabis to certify that the patient has been diagnosed with a qualifying medical condition~~ attestation that the veteran has been diagnosed with a qualifying medical condition listed in section 342.01, subdivision 63, clauses (1) to (19).

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

Sec. 104. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 4, is amended to read:

Subd. 4. **Enrollment; denial of enrollment; revocation.** (a) Within 30 days after the receipt of an application and certification or other documentation of a diagnosis with a qualifying medical condition, the ~~Division of Medical Cannabis office~~ must approve or deny a patient's enrollment in the registry program. If the ~~Division of Medical Cannabis office~~ approves a patient's enrollment in the registry program, the office must provide notice to the patient and to the patient's health care practitioner.

(b) The office may deny a patient's enrollment in the registry program ~~must only be denied only~~ if the patient:

(1) ~~does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation required requested by the office under subdivision 3 that the patient has been diagnosed with a qualifying medical condition;~~

(2) has not signed the disclosure required in subdivision 2;

(3) does not provide the information required by the ~~Division of Medical Cannabis office~~;

(4) provided false information on the application; or

(5) at the time of application, is also enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis.

(c) If the ~~Division of Medical Cannabis~~ office denies a patient's enrollment in the registry program, the ~~Division of Medical Cannabis~~ office must provide written notice to a patient of all reasons for denying enrollment. Denial of enrollment in the registry program is considered a final decision of the office and is subject to judicial review under chapter 14.

(d) The office may revoke a patient's enrollment in the registry program ~~may be revoked~~ only:

(1) pursuant to subdivision 2, paragraph (c);

(2) upon the death of the patient;

(3) if the patient's certifying health care practitioner has filed a declaration under subdivision 2, paragraph (c), that the patient's qualifying diagnosis no longer exists and the patient does not submit another certification within 30 days;

(4) if the patient does not comply with subdivision 6; or

(5) if the patient intentionally sells or diverts medical cannabis flower or medical cannabinoid products in violation of this chapter.

(e) If the office has revoked a patient's enrollment in the registry program ~~has been revoked~~ due to a violation of subdivision 6, the patient may apply for enrollment 12 months after the date on which the patient's enrollment was revoked. The office must process such an application in accordance with this subdivision.

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

Sec. 105. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 5, is amended to read:

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the ~~Division of Medical Cannabis~~ office must assign the patient a patient registry number and must issue the patient and the patient's registered designated caregiver, parent, legal guardian, or spouse, if applicable, a registry verification. The ~~Division of Medical Cannabis~~ office must also make the registry verification available to ~~medical cannabis retailers~~ businesses with a medical cannabis retail endorsement. The registry verification must include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will act as a caregiver.

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

Sec. 106. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 9, is amended to read:

Subd. 9. **Registered designated caregiver.** (a) The ~~Division of Medical Cannabis~~ office must register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis flower or medical cannabinoid products ~~or in~~ obtaining medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia from a cannabis business with a medical cannabis ~~retailer~~ retail endorsement; or cultivating cannabis plants as permitted by section 342.09, subdivision 2.

(b) In order to serve as a designated caregiver, a person must:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis flower and medical cannabinoid products for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

~~(c) The office shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.~~

~~(d)~~ (c) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering medical cannabis flower or medical cannabinoid products as a patient.

(d) Notwithstanding any law to the contrary, a registered designated caregiver approved to assist a patient enrolled in the registry program with obtaining medical cannabis flower may cultivate cannabis plants on behalf of one patient. A registered designated caregiver may grow up to eight cannabis plants for the patient household that the registered designated caregiver is approved to assist with obtaining medical cannabis flower. If a patient enrolled in the registry program directs the patient's registered designated caregiver to cultivate cannabis plants on behalf of the patient, the patient must assign the patient's right to cultivate cannabis plants to the registered designated caregiver and the patient is prohibited from cultivating cannabis plants for personal use. Nothing in this paragraph limits the right of a registered designated caregiver cultivating cannabis plants on behalf of a patient enrolled in the registry program to also cultivate cannabis plants for personal use pursuant to section 342.09, subdivision 2.

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

Sec. 107. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 11, is amended to read:

Subd. 11. **Notice of change of name or address.** Patients and registered designated caregivers must notify the ~~Division of Medical Cannabis~~ office of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a \$100 fine for failure to notify the office of the change.

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

Sec. 108. Minnesota Statutes 2023 Supplement, section 342.53, is amended to read:

**342.53 DUTIES OF OFFICE OF CANNABIS MANAGEMENT; APPROVAL OF CANNABINOID PRODUCTS FOR REGISTRY PROGRAM.**

The office may add an allowable form of medical cannabinoid product, ~~and may add or modify a qualifying medical condition upon its own initiative,~~ upon a petition from a member of the public or from the Cannabis Advisory Council or as directed by law. The office must evaluate all petitions and must make the addition ~~or modification~~ if the office determines that the addition ~~or modification~~ is warranted by the best available evidence and research. If the office wishes to add an allowable form ~~or add or modify a qualifying medical condition,~~ the office must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health finance and policy by January 15 of the year in which the change becomes effective. In this notification, the office must specify the proposed addition ~~or modification~~, the reasons for the addition ~~or modification~~, any written comments received by the office from the public about the addition ~~or modification~~, and any guidance received from the Cannabis Advisory Council. An addition or modification by the office under this subdivision becomes effective on August 1 of that year unless the legislature by law provides otherwise.

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

Sec. 109. Minnesota Statutes 2023 Supplement, section 342.54, is amended to read:

**342.54 DUTIES OF ~~DIVISION OF MEDICAL CANNABIS~~ OFFICE OF CANNABIS MANAGEMENT; REGISTRY PROGRAM.**

Subdivision 1. **Duties related to health care practitioners.** The ~~Division of Medical Cannabis~~ office must:

- (1) provide notice of the registry program to health care practitioners in the state;
- (2) allow health care practitioners to participate in the registry program if they request to participate and meet the program's requirements;
- (3) provide explanatory information and assistance to health care practitioners to understand the nature of the therapeutic use of medical cannabis flower and medical cannabinoid products within program requirements;
- (4) make available to participating health care practitioners a certification form in which a health care practitioner certifies that a patient has a qualifying medical condition; and
- (5) supervise the participation of health care practitioners in the registry reporting system in which health care practitioners report patient treatment and health records information to the office in a manner that ensures stringent security and record keeping requirements and that prevents the unauthorized release of private data on individuals as defined in section 13.02.

Subd. 2. **Duties related to the registry program.** The ~~Division of Medical Cannabis~~ office must:

- (1) administer the registry program according to section 342.52;
- (2) provide information to patients enrolled in the registry program on the existence of federally approved clinical trials for the treatment of the patient's qualifying medical condition with medical cannabis flower or medical cannabinoid products as an alternative to enrollment in the registry program;

(3) maintain safety criteria with which patients must comply as a condition of participation in the registry program to prevent patients from undertaking any task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(4) review and publicly report on existing medical and scientific literature regarding the range of recommended dosages for each qualifying medical condition, the range of chemical compositions of medical cannabis flower and medical cannabinoid products that will likely be medically beneficial for each qualifying medical condition, and any risks of noncannabis drug interactions. This information must be updated by December 1 ~~of each year~~ every three years. The office may consult with an independent laboratory under contract with the office or other experts in reporting and updating this information; and

(5) annually consult with cannabis businesses about medical cannabis that the businesses cultivate, manufacture, and offer for sale and post on the ~~Division of Medical Cannabis~~ office website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each cannabis business with a medical cannabis retailer endorsement.

Subd. 3. **Research.** (a) The ~~Division of Medical Cannabis~~ office must conduct or contract with a third party to conduct research and studies using data from health records submitted to the registry program under section 342.55, subdivision 2, and data submitted to the registry program under section 342.52, subdivisions 2 and 3. If the ~~division~~ office contracts with a third party for research and studies, the third party must provide the ~~division~~ office with access to all research and study results. The ~~division~~ office must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the ~~division~~ office or a third party under this subdivision must be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research or in the creation of summary data, as defined in section 13.02, subdivision 19.

(b) The ~~Division of Medical Cannabis~~ office may submit medical research based on the data collected under sections 342.55, subdivision 2, and data collected through the statewide monitoring system to any federal agency with regulatory or enforcement authority over medical cannabis flower and medical cannabinoid products to demonstrate the effectiveness of medical cannabis flower or medical cannabinoid products for treating or alleviating the symptoms of a qualifying medical condition.

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

Sec. 110. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties before patient enrollment.** Before a patient's enrollment in the registry program, a health care practitioner must:

(1) determine, in the health care practitioner's medical judgment, whether a patient has a qualifying medical condition and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, and spouses acting as caregivers of any nonprofit patient support groups or organizations;

(3) provide to patients explanatory information from the ~~Division of Medical Cannabis~~ office, including information about the experimental nature of the therapeutic use of medical cannabis flower and medical cannabinoid products; the possible risks, benefits, and side effects of the proposed treatment; and the application and other materials from the office;

(4) provide to patients a Tennessee warning as required under section 13.04, subdivision 2; and

(5) agree to continue treatment of the patient's qualifying medical condition and to report findings to the ~~Division of Medical Cannabis~~ office.

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

Sec. 111. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 2, is amended to read:

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the ~~Division of Medical Cannabis~~ office of the patient's enrollment in the registry program, a health care practitioner must:

(1) participate in the patient registry reporting system under the guidance and supervision of the ~~Division of Medical Cannabis~~ office;

(2) report to the ~~Division of Medical Cannabis~~ office patient health records throughout the patient's ongoing treatment in a manner determined by the office and in accordance with subdivision 4;

(3) determine ~~on a yearly basis~~, every three years, if the patient continues to have a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis. The patient assessment conducted under this clause may be conducted via telehealth, as defined in section 62A.673, subdivision 2; and

(4) otherwise comply with requirements established by the office of Cannabis Management and the ~~Division of Medical Cannabis~~.

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

Sec. 112. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 1, is amended to read:

Subdivision 1. **Limitations on consumption; locations of consumption.** (a) Nothing in sections ~~342.47~~ 342.51 to 342.60 permits any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking a task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(2) possessing or consuming medical cannabis flower or medical cannabinoid products:

(i) on a school bus or van;

(ii) in a correctional facility;

(iii) in a state-operated treatment program, including the Minnesota sex offender program; or

(iv) on the grounds of a child care facility or family or group family day care program;

(3) vaporizing or smoking medical cannabis:

(i) on any form of public transportation;

(ii) where the vapor would be inhaled by a nonpatient minor or where the smoke would be inhaled by a minor; or



(iii) in any public place, including any indoor or outdoor area used by or open to the general public or a place of employment, as defined in section 144.413, subdivision 1b; and

(4) operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat or working on transportation property, equipment, or facilities while under the influence of medical cannabis flower or a medical cannabinoid product.

(b) Except for the use of medical cannabis flower or medical cannabinoid products, the vaporizing or smoking of cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products is prohibited in a multifamily housing building, including balconies and patios appurtenant thereto. A violation of this paragraph is punishable through a civil administrative fine in an amount of \$250.

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

Sec. 113. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 2, is amended to read:

Subd. 2. **Health care facilities.** (a) Health care facilities licensed under chapter 144A; hospice providers licensed under chapter 144A; boarding care homes or supervised living facilities licensed under section 144.50; assisted living facilities under chapter 144G; facilities owned, controlled, managed, or under common control with hospitals licensed under chapter 144; and other health care facilities licensed by the commissioner of health or the commissioner of human services may adopt reasonable restrictions on the use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility. The restrictions may include a provision that the facility must not store or maintain a patient's supply of medical cannabis flower or medical cannabinoid products on behalf of the patient; that a patient store the patient's supply of medical cannabis flower or medicinal cannabinoid products in a locked container accessible only to the patient, the patient's designated caregiver, or the patient's parent, legal guardian, or spouse; that the facility is not responsible for providing medical cannabis for patients; and that medical cannabis flower or medical cannabinoid products are used only in a location specified by the facility or provider. Nothing in this subdivision requires facilities and providers listed in this subdivision to adopt such restrictions.

(b) No facility or provider listed in this subdivision may unreasonably limit a patient's access to or use of medical cannabis flower or medical cannabinoid products to the extent that such use is authorized under sections ~~342.47~~ 342.51 to 342.59. No facility or provider listed in this subdivision may prohibit a patient access to or use of medical cannabis flower or medical cannabinoid products due solely to the fact that cannabis is a ~~Schedule I drug~~ controlled substance pursuant to the federal Uniform Controlled Substances Act. If a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services takes one of the following actions, a facility or provider may suspend compliance with this paragraph until the regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services notifies the facility or provider that it may resume permitting the use of medical cannabis flower or medical cannabinoid products within the facility or in the provider's service setting:

(1) a federal regulatory agency or the United States Department of Justice initiates enforcement action against a facility or provider related to the facility's compliance with the medical cannabis program; or

(2) a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services issues a rule or otherwise provides notification to the facility or provider that expressly prohibits the use of medical cannabis in health care facilities or otherwise prohibits compliance with the medical cannabis program.

(c) An employee or agent of a facility or provider listed in this subdivision or a person licensed under chapter 144E is not violating this chapter or chapter 152 for the possession of medical cannabis flower or medical cannabinoid products while carrying out employment duties, including providing or supervising care to a patient enrolled in the registry program, or distribution of medical cannabis flower or medical cannabinoid products to a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility or from the provider with which the employee or agent is affiliated.

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

Sec. 114. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 1, is amended to read:

Subdivision 1. **Presumption.** There is a presumption that a patient or other person enrolled in the registry program is engaged in the authorized use or possession of medical cannabis flower and medical cannabinoid products. This presumption may be rebutted by evidence that the ~~patient's use of medical cannabis flower or medical cannabinoid products~~ use or possession of medical cannabis flower or medical cannabinoid products by a patient or other person enrolled in the registry program was not for the purpose of assisting with, treating, or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

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

Sec. 115. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 2, is amended to read:

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.56, the following are not violations of this chapter or chapter 152:

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program or by a visiting patient to whom medical cannabis flower or medical cannabinoid products are distributed under section 342.51, subdivision 5;

(2) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a registered designated caregiver or a parent, legal guardian, or spouse of a patient enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections ~~342.47~~ 342.51 to 342.60.

(b) The Office of Cannabis Management, members of the Cannabis Advisory Council, Office of Cannabis Management employees, agents or contractors of the Office of Cannabis Management, and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections ~~342.47~~ 342.51 to 342.60 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections ~~342.47~~ 342.51 to 342.60.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program, except as provided in sections ~~342.47~~ 342.51 to 342.60. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections ~~342.47~~ 342.51 to 342.60 may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections ~~342.47~~ 342.51 to 342.60.

(g) Possession of a registry verification or an application for enrollment in the registry program:

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

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

Sec. 116. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 3, is amended to read:

Subd. 3. **School enrollment; rental property.** (a) No school may refuse to enroll or otherwise penalize a patient or person enrolled in the registry program as a pupil ~~or otherwise penalize a patient~~ solely because the patient or person is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or person enrolled in the registry program or otherwise penalize a patient or person enrolled in the registry program solely because the patient or person is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

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

Sec. 117. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 4, is amended to read:

Subd. 4. **Medical care.** For purposes of medical care, including organ transplants, a patient's use of medical cannabis flower or medical cannabinoid products according to sections ~~342.47~~ 342.51 to 342.60 is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

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

Sec. 118. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 5, is amended to read:

Subd. 5. **Employment.** (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as a patient or person enrolled in the registry program; or

(2) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by medical cannabis flower or a medical cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

(b) An employee who is a patient and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification as part of the employee's explanation under section 181.953, subdivision 6.

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

Sec. 119. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 6, is amended to read:

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as a patient or person enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections ~~342.47~~ 342.51 to 342.60, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

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

Sec. 120. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 7, is amended to read:

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient or person enrolled in the registry program may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to a patient or person enrolled in the registry program injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 and reasonable attorney fees.

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

Sec. 121. Minnesota Statutes 2023 Supplement, section 342.60, is amended to read:

#### **342.60 APPLIED RESEARCH.**

The ~~Division of Medical Cannabis~~ office may conduct, or award grants to health care providers or research organizations to conduct, applied research on the safety and efficacy of using medical cannabis flower or medical cannabinoid products to treat a specific health condition. A health care provider or research organization receiving a grant under this section must provide the office with access to all data collected in applied research funded under this section. The office may use data from applied research conducted or funded under this section as evidence to approve additional qualifying medical conditions or additional allowable forms of medical cannabis.

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

Sec. 122. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 1, is amended to read:

Subdivision 1. **Testing required.** (a) Cannabis businesses and hemp businesses shall not sell or offer for sale cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, or to a customer or patient, or otherwise transfer cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, unless:

(1) a representative sample of the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products has been tested according to this section and rules adopted under this chapter;

(2) the testing was completed by a cannabis testing facility licensed under this chapter or meeting the requirements of paragraph (b); and

(3) the tested sample of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products was found to meet testing standards established by the office.

(b) Testing of lower-potency hemp edibles and hemp-derived consumer products that do not contain intoxicating cannabinoids may be performed by any laboratory that has been accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization with specific accreditation for cannabis testing until January 1, 2026.

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

Sec. 123. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 4, is amended to read:

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) The cannabis testing facility shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

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

Sec. 124. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 5, is amended to read:

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business must maintain the test results for cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

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

Sec. 125. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a subdivision to read:

Subd. 1a. **Appeal to individuals under 21 years of age.** For the purposes of this section and section 342.64, "appeal to individuals under 21 years of age" means any of the following:

(1) the use of images depicting toys or robots;

(2) the use of any images depicting fruits or vegetables, except when used to accurately describe ingredients or flavors contained in a product;

(3) the use of any images bearing a likeness to characters or phrases that are popularly used to advertise to children; or

(4) the use of brand names or close imitations of brand names of candies, cereals, sweets, chips, or other food products typically marketed to children.

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

Sec. 126. Minnesota Statutes 2023 Supplement, section 342.62, subdivision 3, is amended to read:

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to ~~persons~~ individuals under 21 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food.

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

Sec. 127. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a subdivision to read:

Subd. 4. **Prohibition of sale of certain empty packaging.** No person shall sell, offer for sale, or facilitate the sale of empty packaging that, if used, would be a violation of any provision of this section. Enforcement of this subdivision is subject to section 8.31.

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

Sec. 128. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 2, is amended to read:

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis ~~cultivator~~ combination business, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight or volume of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) ~~the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period~~ information on the usage of the cannabis flower or hemp-derived consumer product;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

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

Sec. 129. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp-derived consumer products other than products subject to the requirements under subdivision 2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis ~~cultivator~~ combination business, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis ~~processor~~ combination business, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis ~~processor~~ combination business that manufactured the product;

(3) the net weight or volume of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;

(ii) is in a highly visible color;

(iii) includes a visual element that is commonly understood to mean a person should stop;

(iv) indicates that the product is not for children; and



(v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) ~~the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period~~ information on the usage of the product;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state ~~provided that~~ if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

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

Sec. 130. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical cannabis retailer,~~ or medical cannabis combination business must provide customers and patients with the following information:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis ~~retailer~~ combination business may include the information described in paragraph (a) on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by:

(1) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical cannabis retailer,~~ or medical cannabis combination business; or

(2) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

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

Sec. 131. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 1, is amended to read:

Subdivision 1. **Limitations applicable to all advertisements.** Cannabis businesses, hemp businesses, and other persons shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

- (1) contains false or misleading statements;
- (2) contains unverified claims about the health or therapeutic benefits or effects of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;
- (3) promotes the overconsumption of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;
- (4) depicts a person under 21 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product; or
- (5) includes an image designed or likely to appeal to individuals under 21 years of age, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under 21 years of age or encourage consumption by individuals under 21 years of age; ~~and~~

(6) contains an image of alcohol or a person or persons consuming alcohol; and

(7) does not contain a warning as specified by the office regarding impairment and health risks.

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

Sec. 132. Minnesota Statutes 2023 Supplement, section 342.70, subdivision 3, is amended to read:

Subd. 3. **Grants to organizations.** (a) The Division of Social Equity must award grants to eligible organizations through a competitive grant process.

(b) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the community investment the organization wants to make in an eligible community.

(c) An eligible organization's grant application must also include:

- (1) an analysis of the community's need for the proposed investment;
- (2) a description of the positive impact that the proposed investment is expected to generate for that community;
- (3) any evidence of the organization's ability to successfully achieve that positive impact;
- (4) any evidence of the organization's past success in making similar community investments;

(5) an estimate of the cost of the proposed investment;

(6) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money; ~~and~~

(7) a description of the organization's engagement with youth-centered, community-based organizations working with youth who are 14 to 24 years of age that have been most impacted by cannabis-related usage, criminalization, or incarceration; and

(8) any additional information requested by the office.

(d) In awarding grants under this subdivision, the office shall give ~~weight~~ priority to the following:

(1) applications from organizations that demonstrate a history of successful community investments, particularly in geographic areas that are now eligible communities. ~~The office shall also give weight to;~~

(2) applications that support youth civic engagement, leadership, and youth-led health education opportunities; and

(3) applications where there is demonstrated community support for the proposed investment.

(e) The office shall fund investments in eligible communities throughout the state.

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

Sec. 133. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 4, is amended to read:

Subd. 4. **Loan financing grants.** (a) The CanGrow revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the ~~commissioner~~ office to make loan financing grants under the CanGrow program.

(b) The office must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the office using a form developed by the office.

(d) In awarding grants under this subdivision, the office shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes individuals experienced in agricultural business development;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account; and

(6) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The office shall make grants that will help farmers enter the legal cannabis industry throughout the state.

(e) A nonprofit corporation that receives grants under the program must:

(1) establish an office-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the office that the office shall fund loans that the nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the office shall consider, among other criteria, the criteria in paragraph (d).

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

Sec. 134. Minnesota Statutes 2023 Supplement, section 342.80, is amended to read:

**342.80 LAWFUL ACTIVITIES.**

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.27, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 135. Laws 2023, chapter 63, article 1, section 2, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2023, except for subdivision 3, which is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 136. Laws 2023, chapter 63, article 1, section 51, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ the day following final enactment.

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

Sec. 137. Laws 2023, chapter 63, article 1, section 52, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ the day following final enactment.

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

Sec. 138. Laws 2023, chapter 63, article 1, section 53, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 139. Laws 2023, chapter 63, article 1, section 54, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 140. Laws 2023, chapter 63, article 1, section 55, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 141. Laws 2023, chapter 63, article 1, section 56, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 142. Laws 2023, chapter 63, article 1, section 57, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 143. Laws 2023, chapter 63, article 1, section 58, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 144. Laws 2023, chapter 63, article 1, section 59, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 145. Laws 2023, chapter 63, article 1, section 61, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 146. Laws 2023, chapter 63, article 6, section 10, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025 2024.

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

Sec. 147. Laws 2023, chapter 63, article 6, section 73, the effective date, is amended to read:

**EFFECTIVE DATE.** Paragraph (a) is effective ~~March~~ December 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.

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

Sec. 148. **LICENSE PREAPPROVAL.**

Subdivision 1. **Establishment.** (a) Prior to the adoption of initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, the Office of Cannabis Management may establish a license preapproval process for applicants who meet the requirements in Minnesota Statutes, section 342.17.

(b) The office may issue up to the following number of license preapprovals for the following types of licenses:

(1) cannabis microbusiness licenses, 100;

(2) cannabis mezzobusiness licenses, 25;

(3) cannabis cultivator licenses, 13;

(4) cannabis manufacturer licenses, six;

(5) cannabis retailer licenses, 38;

(6) cannabis wholesaler licenses, 20;

(7) cannabis transporter licenses, 20;

(8) cannabis testing facility licenses, 50; and

(9) cannabis delivery service licenses, ten.

(c) A license preapproval remains valid for 18 months from the date that the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, unless the office revokes the license preapproval or grants an extension. The office may grant a onetime extension of up to six months if an applicant has made good faith efforts to convert a license preapproval into a license. The office must not issue a license to an applicant whose license preapproval has expired.

Subd. 2. **Eligibility; social equity applicants.** Only a social equity applicant who meets the requirements in Minnesota Statutes, section 342.17, is eligible for license preapproval.

Subd. 3. **Preapproval period.** (a) The office must announce the commencement of a license preapproval application period at least 14 days before the date that the office begins to accept applications. The announcement must include:

(1) the types of licenses that will be available for preapproval during the license preapproval period;

(2) the number of each type of license available during the license preapproval period;

(3) the date on which the office will begin accepting applications for license preapproval; and

(4) the date on which the office will no longer accept applications.

(b) The office must begin accepting applications no later than July 24, 2024. The application period must end on August 12, 2024.

**Subd. 4. Application requirements.** (a) An applicant for license preapproval must:

(1) complete an application that contains the information described in Minnesota Statutes, section 342.14, subdivision 1, on a form and in a manner approved by the office; and

(2) pay the applicable application fee required under Minnesota Statutes, section 342.11, paragraph (b), for the license being sought.

(b) The office shall not require an applicant for a license preapproval to identify or have acquired any property on which the cannabis business will operate.

(c) If the office receives an application that fails to provide the office with the required information or pay the applicable application fee, the office shall issue a deficiency notice to the applicant that states the amount of time that the applicant has to submit the required information or pay the application fee to the office.

(d) Failure by an applicant to submit all required information to the office or pay the application fee to the office shall result in the application being rejected.

**Subd. 5. Application review; qualified applicants.** (a) The office must accept applications for license preapproval during the application period. As part of the application process, the office must verify the applicant's status as a social equity applicant.

(b) The office may deny an application if:

(1) the application is incomplete;

(2) the application contains a materially false statement about the applicant or omits information required under Minnesota Statutes, section 342.14, subdivision 1;

(3) the applicant does not meet the qualifications under Minnesota Statutes, section 342.16;

(4) the applicant is prohibited from holding the license under Minnesota Statutes, section 342.18, subdivision 2;

(5) the application does not meet the minimum requirements under Minnesota Statutes, section 342.18, subdivision 3;

(6) the applicant fails to pay the applicable application fee to the office;

(7) the applicant failed to submit the application to the office by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from an applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

**Subd. 6. Lottery.** (a) If there are fewer license preapprovals available for a license type than the number of qualified applicants for that license type, the office must conduct a lottery to select applicants for license preapproval. The lottery must include all qualified applicants seeking license preapproval for the license type and must be impartial, random, and in a format determined by the office.

(b) The office may remove an applicant from the lottery if the office determines that the applicant has violated this chapter or rules adopted pursuant to this chapter that would justify the revocation or nonrenewal of a license. If the office removes an applicant from a lottery, the office must notify the applicant of the removal and the basis for the removal.

(c) Following the completion of any lottery conducted under this subdivision, the office must notify each applicant that the applicant was either selected or not selected in the lottery.

**Subd. 7. Background check; preapproval.** (a) Before granting a license preapproval, the office may conduct a background check of a qualified applicant consistent with Minnesota Statutes, section 342.15.

(b) The office must issue license preapproval to a qualified applicant if the applicant is not disqualified under Minnesota Statutes, section 342.15, and:

(1) there are a sufficient number of licenses of the type the applicant is seeking for all qualified applicants to receive a license preapproval; or

(2) the qualified applicant is selected in the lottery conducted under subdivision 6.

(c) The office must notify an applicant of the results of any background check and whether the office has granted a license preapproval. If the office does not grant a license preapproval, the notice must state the specific reasons for the office's decision.

**Subd. 8. License preapproval; purpose; restrictions.** (a) A license preapproval issued by the office is evidence that:

(1) the applicant has submitted all necessary information to the office;

(2) the office has determined that the applicant is qualified to hold a license of the type for which the license preapproval is issued; and

(3) the office will issue the person a license after the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, unless the office revokes the license preapproval pursuant to subdivision 9.

(b) Upon request by a person with a license preapproval, the office must provide confirmation of the license preapproval to third parties to assist the person in taking the steps necessary to prepare for business operations, including:

(1) establishing legal control of the site of the cannabis business through a lease, purchase, or other means;



(2) gaining zoning or planning approval from a local unit of government for the site of the cannabis business; and

(3) raising capital for the person's business operations.

(c) A person with a license preapproval is not authorized to open a cannabis business or engage in any activity that requires a license issued under this chapter.

(d) A person with a license preapproval must not:

(1) purchase, possess, cultivate, manufacture, distribute, dispense, or sell cannabis plants, cannabis flower, cannabis products, medical cannabis flower, or medical cannabinoid products;

(2) manufacture, distribute, or sell edible cannabinoid products or lower-potency hemp edibles unless the person has explicit permission from the office to engage in those activities and has a valid license authorizing those actions or is registered pursuant to Minnesota Statutes, section 151.72;

(3) make any transfer of an ownership interest that causes a change in the individual or entity that holds the controlling ownership interest of the cannabis business;

(4) make any change or transfer of ownership or control that would require a new business registration with the secretary of state; or

(5) make any transfer of ownership interest that causes the person with a license preapproval to no longer qualify as a social equity applicant under Minnesota Statutes, section 342.17.

(e) The prohibitions under paragraphs (c) and (d) do not prohibit a person with a license preapproval from engaging in early cultivation if authorized by the office.

**Subd. 9. Revocation of preapproval.** The office may revoke a license preapproval if the person holding the license preapproval, including any true party of interest as defined in Minnesota Statutes, section 342.185, subdivision 1, paragraph (g):

(1) fraudulently or deceptively obtained a license preapproval;

(2) fails to reveal any material fact pertaining to the qualification for a license preapproval;

(3) violates any provision of this chapter; or

(4) is not registered or in good standing with the Office of the Secretary of State.

**Subd. 10. Conversion of preapproval.** (a) After the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, the office must issue a license to any person who has received a license preapproval if:

(1) the person provides the address and legal property description of the location where the business will operate;

(2) the person provides the name of the local unit of government where the business will be located;

(3) if applicable, the person provides an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office;

(4) the office contacts the appropriate local unit of government as provided in Minnesota Statutes, section 342.13, paragraph (f), to confirm that the proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code;

(5) the office completes an inspection of the site where the cannabis business will be located and approves the site; and

(6) the person pays any applicable license fee.

(b) The office must not grant a license to a person who has received a license preapproval if:

(1) the ownership of the cannabis business has changed since the office granted a license preapproval and the person has not filed an updated ownership disclosure as required by the office;

(2) the office confirms that the cannabis business for which the office granted a license preapproval does not meet local zoning and land use laws;

(3) the person fails to submit any required information;

(4) the person submits a materially false statement about the applicant or fails to provide any required information;

(5) the person fails to pay the applicable license fee; or

(6) the office determines that the person is disqualified from holding the license or would operate in violation of the provisions of this chapter.

(d) Within 90 days of receiving the information required under paragraph (a), clauses (1) to (3), the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not grant a license.

Subd. 11. **Applicants; right to a reconsideration.** (a) If the office denies an application for a license preapproval or removes an applicant from a lottery, the applicant may request a records review of the submitted application materials within seven calendar days of receiving notification that the office denied the application or removed the applicant.

(b) Upon an applicant's request, the office must allow the applicant to examine the applicant's records received by the office.

(c) A person whose license preapproval is later revoked by the office may request reconsideration by the director.

(d) An applicant whose application is denied or not selected in a lottery may not appeal or request a hearing.

Subd. 12. **Retention of applications.** The office must retain an application that was not selected in a lottery for one year. An application retained under this subdivision is subject to the requirements under Minnesota Statutes, section 342.14, subdivision 9.

Subd. 13. **Data.** Data collected, created, or maintained by the office pursuant to this section are application data submitted by an applicant for a cannabis business license and are subject to Minnesota Statutes, section 342.20.

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

Sec. 149. **THIRD-PARTY BACKGROUND CHECKS FOR LICENSE APPLICATIONS.**

(a) Notwithstanding Minnesota Statutes, section 342.15, until approved by the Federal Bureau of Investigation, the director may accept a third-party local and national criminal background check submitted by an applicant for a license or renewal in lieu of a fingerprint-based national criminal history records check. Any third-party background check must:

(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association;

(2) include a multistate and multijurisdiction criminal record locator or other similar commercial nationwide database with validation; and

(3) include other background screening as the director may require.

(b) The applicant must request a background check not more than 60 days before submitting the application.

(c) Notwithstanding Minnesota Statutes, section 342.15, until approved by the Federal Bureau of Investigation, a license holder may use a third-party local and national criminal background check submitted by a cannabis worker in lieu of a fingerprint-based national criminal history records check. Any third-party background check must:

(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association;

(2) include a multistate and multijurisdiction criminal record locator or other similar commercial nationwide database with validation; and

(3) include other background screening as the director may require.

(d) The cannabis worker must request a background check not more than 60 days before submitting the application.

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

Sec. 150. **EMPLOYEE TRANSFER.**

(a) The powers, duties, rights, obligations, and other authority imposed by law on the Department of Health with respect to the sale of certain cannabinoid products under Minnesota Statutes, section 151.72, are transferred to the Office of Cannabis Management under Minnesota Statutes, section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment at the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

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

Sec. 151. **EARLY CULTIVATION.**

(a) A social equity applicant with a license preapproval for a cannabis microbusiness license, cannabis mezzobusiness license, or cannabis cultivator license, may grow cannabis plants from seeds or immature plants if the social equity applicant:

(1) has provided documentation in a form and manner prescribed by the Office of Cannabis Management from the applicable local unit of government that states the social equity applicant is in compliance with local zoning ordinances and state fire and building codes; and

(2) complies with Minnesota Rules, parts 4770.0100 to 4770.4030.

(b) According to Minnesota Statutes, section 342.19, the Office of Cannabis Management may enforce Minnesota Rules, parts 4770.0100 to 4770.4030 against a social equity applicant who cultivates cannabis under paragraph (a).

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

Sec. 152. **TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.**

The Department of Health shall transfer all data, including not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive complaints involving alleged violations of Minnesota Statutes 2023 Supplement, section 151.72, as well as registration data collected under Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5b, to the Office of Cannabis Management. The Department of Health and the Office of Cannabis Management shall ensure that the transfer takes place in a manner and on a schedule that prioritizes public health.

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

Sec. 153. **TRANSFER OF MEDICAL PROGRAM.**

(a) Notwithstanding the data's classification under Minnesota Statutes, chapter 13, the Office of Cannabis Management may access data maintained by the commissioner of health related to the responsibilities transferred under Minnesota Statutes, section 342.02, subdivision 3. Data sharing authorized by this subdivision includes not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive

complaints involving any alleged violation of Minnesota Statutes, sections 152.22 to 152.37, by a medical cannabis manufacturer. Data sharing under this paragraph further includes data in patient files maintained by the commissioner and the health care practitioner and data submitted to or by a medical cannabis manufacturer classified as private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, or nonpublic data, as defined in Minnesota Statutes, section 13.02, subdivision 9. Any data shared under this section retain the data's classification from the agency holding the data.

(b) All rules adopted by the commissioner of health pursuant to Minnesota Statutes, sections 152.22 to 152.37, including but not limited to Minnesota Rules, chapter 4770, remain effective and shall be enforced until amended or repealed consistent with Minnesota Statutes, section 15.039, subdivision 3.

(c) The director of the Office of Cannabis Management may use the good cause exempt rulemaking process under Minnesota Statutes, section 14.388, subdivision 1, clauses (3) and (4), to copy and adopt any portions of Minnesota Rules, parts 4770.0100 to 4770.4030, that are necessary to effectuate the transfer of authority granted under Minnesota Statutes, section 342.02, subdivision 3. The commissioner may make technical changes and any changes necessary to conform with the transfer of authority. Any change to the rules that is not authorized under this paragraph must be adopted according to Minnesota Statutes, sections 14.001 to 14.366.

(d) Unless otherwise specified in this section or Minnesota Statutes, section 342.02, subdivision 3, transfer of the powers, duties, rights, obligations, and other authority imposed by law on the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, to the Office of Cannabis Management is subject to Minnesota Statutes, section 15.039.

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

Sec. 154. **REPEALER.**

(a) Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 53, and 55; 342.18, subdivision 1; 342.27, subdivision 13; and 342.29, subdivision 9, are repealed.

(b) Minnesota Statutes 2023 Supplement, sections 342.47; 342.48; 342.49; 342.50; and 342.52, subdivision 8, are repealed.

(c) Laws 2023, chapter 63, article 7, sections 4; and 6, are repealed.

(d) Minnesota Statutes 2022, sections 152.22, subdivision 3; and 152.36, are repealed.

**EFFECTIVE DATE.** Paragraphs (a) and (b) are effective the day following final enactment. Paragraphs (c) and (d) are effective July 1, 2024.

ARTICLE 3  
CANNABIS AND HEALTH-RELATED RESPONSIBILITIES

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

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

Subdivision 1. **Youth prevention and education program.** The commissioner of health, in consultation with the commissioners of human services and education and in collaboration with local health departments and Tribal health departments, shall conduct a long-term, coordinated education program to raise public awareness about and address the top three substance misuse prevention, treatment options, and recovery options. The program must

~~address adverse health effects, as determined by the commissioner,~~ associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 25. In conducting this education program, the commissioner shall engage and consult with youth around the state on program content and on methods to effectively disseminate program information to youth around the state.

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 4. **Reports to the legislature.** By January 15, 2024, ~~and each January 15 thereafter year,~~ the ~~office~~ commissioner of health must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over health and human services policy and finance that details ~~grants awarded from~~ the substance use treatment, recovery, and prevention ~~grant account~~ grants awarded, including the total amount awarded, total number of recipients, and geographic distribution of those recipients. Notwithstanding section 144.05, subdivision 7, the reporting requirement under this subdivision does not expire.

ARTICLE 4  
COMMERCE POLICY

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

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

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

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

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

Sec. 2. **[58B.051] REGISTRATION FOR LENDERS.**

(a) Beginning January 1, 2025, a lender must register with the commissioner as a lender before providing services in Minnesota. A lender must not offer or make a student loan to a resident of Minnesota without first registering with the commissioner as provided in this section.

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

(3) the names of all officers, directors, owners, or other persons in control of an applicant, as defined in section 58B.02, subdivision 6; and

(4) any other information the commissioner requires by rule.

(c) Registration issued or renewed expires December 31 of each year. A lender must renew the lender's registration on an annual basis.



(d) The commissioner may adopt and enforce:

(1) registration procedures for lenders, which may include using the Nationwide Multistate Licensing System and Registry;

(2) nonrefundable registration fees for lenders, which may include fees for using the Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

(3) procedures and nonrefundable fees to renew a lender's registration, which may include fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be paid directly by the lender; and

(4) alternate registration procedures and nonrefundable fees for postsecondary education institutions that offer student loans.

Sec. 3. **[62J.96] ACCESS TO 340B DRUGS.**

Subdivision 1. **Manufacturers.** A manufacturer must not directly or indirectly restrict, prohibit, or otherwise interfere with the delivery of a covered outpatient drug to a pharmacy that is under contract with a 340B covered entity to receive and dispense covered outpatient drugs on behalf of the covered entity, unless the delivery of the drug to the pharmacy is prohibited under the 340B Drug Pricing Program.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "340B covered entity" has the meaning provided in section 340B(a)(4) of the Public Health Service Act.

(c) "Covered outpatient drug" has the meaning provided in section 1927(k) of the Social Security Act.

(d) "Manufacturer" has the meaning provided in section 151.01, subdivision 14a.

Subd. 3. **Expiration.** This section expires July 1, 2027.

Sec. 4. Minnesota Statutes 2022, section 62Q.73, subdivision 3, is amended to read:

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

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

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

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

Sec. 5. 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;

(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) the identity or identifier of the employee completing the transaction; and

(10) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the seller's:

(i) current license to sell scrap metal copper issued by the commissioner under subdivision 2c; or

(ii) the documentation used to support the seller being deemed to hold a license to sell scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).

(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. 6. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to read:

Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1, 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the person has a valid license issued by the commissioner under this subdivision.

(b) On the first Friday of the months of April and October of each calendar year, from 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper from individuals who do not have an approved license to sell scrap metal copper under this subdivision. All other requirements of subdivision 1b apply and must be documented by the scrap metal dealer on the dates specified in this paragraph.

(c) A seller of scrap metal copper may apply to the commissioner on a form prescribed by the commissioner. The application form must include, at a minimum:

(1) the name, permanent address, telephone number, and date of birth of the applicant; and

(2) an acknowledgment that the applicant obtained the copper by lawful means in the regular course of the applicant's business, trade, or authorized construction work.

(d) Each application must be accompanied by a nonrefundable fee of \$250.

(e) Within 30 days of the date an application is received, the commissioner may require additional information or submissions from an applicant and may obtain any document or information that is reasonably necessary to verify the information contained in the application. Within 90 days after the date a completed application is received, the commissioner must review the application and issue a license if the applicant is deemed qualified under this section. The commissioner may issue a license subject to restrictions or limitations. If the commissioner determines the applicant is not qualified, the commissioner must notify the applicant and must specify the reason for the denial.

(f) A person is deemed to hold a license to sell scrap metal copper if the person holds one of the following:

(1) a license to perform work pursuant to chapter 326B or section 103I.501;

(2) a document, certificate, or card of competency issued by a municipality to perform work in a given trade or craft in the building trades. The document, certificate, or card must state that the individual is authorized to sell scrap metal copper. This clause is effective January 1, 2025; or

(3) a Section 608 Technician Certification issued by the United States Environmental Protection Agency.

(g) A license issued under this subdivision is valid for one year. To renew a license, an applicant must submit a completed renewal application on a form prescribed by the commissioner and a renewal fee of \$250. The commissioner may request that a renewal applicant submit additional information to clarify any new information presented in the renewal application. A renewal application submitted after the renewal deadline must be accompanied by a nonrefundable late fee of \$500.

(h) The commissioner may deny a license renewal under this subdivision if:

(1) the commissioner determines that the applicant is in violation of or noncompliant with federal or state law; or

(2) the applicant fails to timely submit a renewal application and the information required under this subdivision.

(i) In lieu of denying a renewal application under paragraph (g), the commissioner may permit the applicant to submit to the commissioner a corrective action plan to cure or correct deficiencies.

(j) The commissioner may suspend, revoke, or place on probation a license issued under this subdivision if:

(1) the applicant engages in fraudulent activity that violates state or federal law;

(2) the commissioner receives consumer complaints that justify an action under this subdivision to protect the safety and interests of consumers;

(3) the applicant fails to pay an application license or renewal fee; or

(4) the applicant fails to comply with a requirement established in this subdivision.

(k) This subdivision does not apply to transfers by or to an auctioneer who is in compliance with chapter 330 and acting in the person's official role as an auctioneer to facilitate or conduct an auction of scrap metal.

(l) The commissioner must enforce this subdivision under chapter 45.

Sec. 7. Minnesota Statutes 2022, section 326.10, subdivision 8, is amended to read:

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

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

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

Sec. 8. Minnesota Statutes 2022, section 336.1-110, is amended to read:

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

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

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

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

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

Sec. 9. **SCRAP METAL WORKING GROUP.**

The commissioner of public safety may convene a working group of representatives designated by the Minnesota Sheriffs Association, the Minnesota Chiefs of Police Association, and the trade association representing scrap metal recyclers. Meetings may occur monthly to discuss metal theft and share nonproprietary and nonprivileged information related to prevention, investigation, and prosecution of metal theft crimes.

Sec. 10. **REPEALER.**

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

ARTICLE 5  
CONSUMER DATA POLICY

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

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

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

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

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

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

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

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

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

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

(1) a digital or physical photograph;

(2) an audio or video recording; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) specific geolocation data.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

(2) a federally recognized Indian tribe;

(3) information that meets the definition of:

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

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

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

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

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

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

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

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

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

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

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

(6) information that is:

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

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

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

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

(v) originated from, or intermingled with, information described in clause (9) and that a nonbank financial institution, as defined by section 46A.01, subdivision 12, collects, processes, uses, or maintains in the same manner as required under the laws and regulations specified in clause (9);

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

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

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

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

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

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

(13) data collected or maintained:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) not unfairly disadvantage another controller;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Social Security number;

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

(3) financial account number;

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

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

(6) biometric data.

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

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

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

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

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

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

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

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

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

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

(1) reidentify deidentified data;

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

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

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



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

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

(b) The rights contained in section 325O.05, subdivision 1, paragraphs (b) to (e) and (h), do not apply to pseudonymous data in cases where the controller is able to demonstrate any information necessary to identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing the information.

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

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

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

Sec. 8. **[325O.07] RESPONSIBILITIES OF CONTROLLERS.**

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

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

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

(3) an explanation of the rights contained in section 325O.05 and how and where consumers may exercise those rights, including how a consumer may appeal a controller's action with regard to the consumer's request;

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

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

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

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

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

(b) If a controller sells personal data to third parties, processes personal data for targeted advertising, or engages in profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer, the controller must disclose the processing in the privacy notice and provide access to a clear and conspicuous method outside the privacy notice for a consumer to opt out of the sale, processing, or

profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer. This method may include but is not limited to an Internet hyperlink clearly labeled "Your Opt-Out Rights" or "Your Privacy Rights" that directly effectuates the opt-out request or takes consumers to a web page where the consumer can make the opt-out request.

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

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

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

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

(g) The privacy notice must be posted online through a conspicuous hyperlink using the word "privacy" on the controller's website home page or on a mobile application's app store page or download page. A controller that maintains an application on a mobile or other device shall also include a hyperlink to the privacy notice in the application's settings menu or in a similarly conspicuous and accessible location. A controller that does not operate a website shall make the privacy notice conspicuously available to consumers through a medium regularly used by the controller to interact with consumers, including but not limited to mail.

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

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

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

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

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

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

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

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

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

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

#### **Sec. 9. [325O.075] REQUIREMENTS FOR SMALL BUSINESSES.**

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

(b) Penalties and attorney general enforcement procedures under section 325O.10 apply to a small business that violates this section.

#### **Sec. 10. [325O.08] DATA PRIVACY POLICIES; DATA PRIVACY AND PROTECTION ASSESSMENTS.**

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

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

(2) a description of the controller's data privacy policies and procedures which reflect the requirements in section 325O.07, and any policies and procedures designed to:

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

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

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

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

(v) prevent the retention of personal data that is no longer relevant and reasonably necessary in relation to the purposes for which the data were collected and processed, unless retention of the data is otherwise required by law or permitted under section 325O.09; and

(vi) identify and remediate violations of this chapter.

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

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

(2) the sale of personal data;

(3) the processing of sensitive data;

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

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

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

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

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

(iv) other substantial injury to consumers.

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

(d) A data privacy and protection assessment must identify and weigh the benefits that may flow directly and indirectly from the processing to the controller, consumer, other stakeholders, and the public against the potential risks to the rights of the consumer associated with the processing, as mitigated by safeguards that can be employed

by the controller to reduce the potential risks. The use of deidentified data and the reasonable expectations of consumers, as well as the context of the processing and the relationship between the controller and the consumer whose personal data will be processed, must be factored into this assessment by the controller.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Sec. 14. **EFFECTIVE DATE.**

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

Delete the title and insert:

"A bill for an act relating to commerce; modifying appropriations to the Office of Cannabis Management and the Department of Health; modifying cannabis provisions; modifying fees assessed by the Department of Commerce; adding and modifying consumer protection provisions; establishing the Minnesota Consumer Data Privacy Act; authorizing rulemaking; classifying data; making technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 18K.03, by adding a subdivision; 45.0135, subdivision 7; 62Q.73, subdivision 3; 152.22, subdivisions 11, 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.28, subdivision 2; 152.29, subdivision 3; 181.950, subdivision 10; 181.952, as amended; 325E.21, by adding a subdivision; 326.10, subdivision 8; 336.1-110; Minnesota Statutes 2023 Supplement, sections 3.9224, subdivision 1; 15A.0815, subdivision 2; 144.197; 151.72, subdivisions 1, 2, 3, 4, 5a, 5b, 6, 7; 152.28, subdivision 1; 152.30; 181.951, subdivisions 4, 5, 8; 181.954, subdivision 1; 290.0132, subdivision 29; 290.0134, subdivision 19; 295.81, subdivision 4; 297A.67, subdivision 39; 297A.70, subdivision 2; 325E.21, subdivision 1b; 342.01, subdivisions 14, 17, 19, 48, 50, 52, 54, 57, 63, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 3, 5, 6; 342.03, subdivisions 1, 4; 342.06; 342.07, subdivision 3; 342.09, subdivisions 1, 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, subdivisions 1, 2, by adding subdivisions; 342.16; 342.17; 342.18, subdivisions 2, 3, by adding a subdivision; 342.19, by adding a subdivision; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivisions 2, 4, by adding subdivisions; 342.29, subdivision 4, by adding subdivisions; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivisions 1, 3; 342.46, subdivisions 6, 8; 342.51; 342.515; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.60; 342.61, subdivisions 1, 4, 5; 342.62, subdivision 3, by adding subdivisions; 342.63, subdivisions 2, 3, 6; 342.64, subdivision 1; 342.70, subdivision 3; 342.72; 342.73, subdivision 4; 342.80; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, sections 10; 73; article 9, sections 10; 15, subdivision 4; 19; 20; proposing coding for new law in Minnesota Statutes, chapters 13; 58B; 62J; 342; proposing coding for new law as Minnesota Statutes, chapter 325O; repealing Minnesota Statutes 2022, sections 152.22, subdivision 3; 152.36; Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 53, 55; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; 342.52, subdivision 8; Laws 1979, chapter 189, sections 1; 2, as amended; 3; Laws 2023, chapter 63, article 7, sections 4; 6."

We request the adoption of this report and repassage of the bill.

House Conferees: ZACK STEPHENSON, JESSICA HANSON, CEDRICK FRAZIER and ALICIA "LIISH" KOZLOWSKI.

Senate Conferees: LINDSEY PORT, SUSAN PHA, NICK FRENTZ, ERIN MAYE QUADE and TOU XIONG.

Stephenson moved that the report of the Conference Committee on H. F. No. 4757 be adopted and that the bill be repassed as amended by the Conference Committee.

West moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 4757 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.



The question was taken on the West motion and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	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	West
Bliss	Gillman	Knudsen	Nash	Rarick	Wiener
Burkel	Grossell	Koznick	Nelson, N.	Robbins	Wiens
Davids	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the Stephenson motion that the report of the Conference Committee on H. F. No. 4757 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 4757, A bill for an act relating to cannabis; transferring enforcement of edible cannabinoid products to the Office of Cannabis Management; clarifying workplace testing for cannabis; making technical changes related to the taxation of cannabis and related products; replacing medical cannabis licenses with endorsements; establishing a petition process to designate cannabinoids as nonintoxicating or approved for use in lower-potency hemp edibles; authorizing lower-potency hemp edibles to contain certain artificially derived cannabinoids created in making delta-9 tetrahydrocannabinol; allowing testing of certain hemp products to be performed by labs meeting accreditation standards regardless of licensing status; authorizing patients enrolled in the registry program to obtain cannabis flower from registered designated caregivers; authorizing registered designated caregivers to cultivate cannabis plants on behalf of patients enrolled in the registry program; authorizing the Office of Cannabis Management to recall certain cannabis and related products; transferring the duties of the medical cannabis program to the Office of Cannabis Management on July 1, 2025; authorizing the appointment of deputy directors; clarifying the process for transfer of certain licenses; providing for license preapproval; removing the requirement that local governments perform certain inspections; removing the requirement that license applications be scored based on identified criteria and requiring that license applications be assessed based on certain minimum criteria; requiring employees of cannabis businesses to meet certain background check requirements; establishing social equity licenses; limiting the number of certain licenses that can be made available in an application period; providing for the conversion of a registration to sell certain hemp-derived products into a hemp business license; providing for a cannabis research

license classification; authorizing the Office of Cannabis Management to adjust limits on cultivation area; permitting certain businesses to transport cannabis and related products between facilities operated by the business; replacing the prohibition on certain sales of lower-potency hemp products with a prohibition on selling to an obviously intoxicated person; providing for enforcement of unlicensed businesses engaging in activities that require a license; making technical and conforming changes; amending Minnesota Statutes 2022, sections 18K.03, by adding a subdivision; 152.22, subdivisions 11, 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.28, subdivision 2; 152.29, subdivision 3; Minnesota Statutes 2023 Supplement, sections 3.9224; 120B.215, subdivisions 1, 2, by adding a subdivision; 151.72, subdivisions 1, 2, 4, 5a, 5b, 6, 7; 152.28, subdivision 1; 152.30; 256B.0625, subdivision 13d; 290.0132, subdivision 29; 290.0134, subdivision 19; 295.81, subdivisions 1, 4; 297A.67, subdivision 2; 297A.70, subdivision 2; 342.01, subdivisions 3, 4, 12, 14, 16, 17, 19, 20, 48, 57, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 5, 6; 342.03, subdivision 1; 342.07, subdivision 3; 342.09, subdivisions 1, 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, subdivisions 1, 2, by adding a subdivision; 342.16; 342.17; 342.18, subdivisions 2, 3, by adding subdivisions; 342.19, subdivisions 1, 3, 4, 5; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding a subdivision; 342.29, subdivisions 1, 4; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivisions 1, 3; 342.44, subdivision 1; 342.46, subdivision 6; 342.51; 342.515; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.58; 342.60; 342.61, subdivisions 4, 5; 342.62, subdivision 3, by adding subdivisions; 342.63, subdivisions 2, 3, 4, 6; 342.64, subdivision 1; 342.70, subdivision 3; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, sections 10; 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 152.22, subdivision 3; 152.36; Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 52, 53, 54, 55; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; 342.52, subdivision 8; Laws 2023, chapter 63, article 7, sections 4; 6.

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 68 yeas and 60 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 5435, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Laws 2024, chapter 79, article 1, section 25, subdivision 3.

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. No. 5435 was read for the second time.

The following Conference Committee Report was received:

### CONFERENCE COMMITTEE REPORT ON 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.

May 17, 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. 5216 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. 5216 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2023, chapter 52, articles 1 and 2, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2024, are effective the day following final enactment.

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

<b><u>2024</u></b>	<b><u>2025</u></b>
<b><u>\$-0-</u></b>	<b><u>\$5,663,000</u></b>

Sec. 2. **SUPREME COURT**

(a) **Safe and Secure Courthouse Initiative**

\$500,000 the second year is for a competitive grant program for courthouse safety and security improvements. Grants may be awarded to governmental entities to fund courthouse security assessments, equipment, technology, construction, or training needs. Grant recipients must provide a 50 percent nonstate match. This is a onetime appropriation.

(b) **Court Cyber Security**

\$5,163,000 the second year is for the judicial branch cyber security program. This is a onetime appropriation and is available until June 30, 2027.

Sec. 3. **DISTRICT COURTS****\$6,652,000****\$23,685,000****(a) Psychological Services**

\$5,317,000 the first year and \$15,951,000 the second year are for the psychological and psychiatric examiner services program, which delivers statutorily mandated psychological examinations for civil commitment, criminal competency, and criminal responsibility evaluations. The appropriation in the second year is onetime and is available until June 30, 2027.

**(b) Forensic Examiner Rate Increase**

\$1,070,000 the second year is to raise forensic examiner payment rates.

**(c) Court Interpreters**

\$1,290,000 the first year and \$3,870,000 the second year are for court interpreters. The appropriation in the second year is onetime and is available until June 30, 2027.

**(d) Court Interpreter Rate Increase**

\$235,000 the second year is to raise payment rates for certified court interpreters.

**(e) Court Interpreter Paid Travel Time**

\$170,000 the second year is to reimburse certified court interpreters for travel time.

**(f) Increased Cost of Jury Programs**

\$20,000 the first year and \$2,364,000 the second year are for increased costs of jury programs. The appropriation in the second year is onetime and is available until June 30, 2027.

**(g) Trauma Services for Jurors**

\$25,000 each year is to provide vicarious trauma services for jurors.

Sec. 4. **PUBLIC SAFETY**Subdivision 1. **Total Appropriation****\$7,000,000****\$9,850,000**Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>0</u>	<u>9,850,000</u>
<u>911 Fund</u>	<u>7,000,000</u>	<u>0</u>

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

**Subd. 2. Public Safety Administration**

-0-

50,000

**Task Force on Domestic Violence and Firearms**

\$50,000 the second year is to provide administrative support including meeting space and administrative assistance, or to hire or contract with another party to provide any portion of that support, for the Task Force on Domestic Violence and Firearms. This is a onetime appropriation.

**Subd. 3. Driver and Vehicle Services**

-0-

133,000

**Motor Vehicle Registration Compliance Working Group**

\$133,000 the second year is for administrative support for the Motor Vehicle Registration Compliance Working Group. This is a onetime appropriation.

**Subd. 4. Office of Justice Programs**

-0-

9,667,000

**(a) Direct Assistance to Crime Victim Survivors**

\$9,467,000 the second year is to provide grants to organizations that received a grant from the crime victim services unit in fiscal year 2024. Grants must be used for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. Up to five percent of the appropriation is available for grant administration. This appropriation is onetime and is in addition to any amount previously appropriated for this purpose.

**(b) Preventing Violence Against Latina Women Report**

\$50,000 the second year is for a grant to Esperanza United to complete a report on preventing violence against Latina women and queer Latines. This is a onetime appropriation.

**(c) Law Enforcement and Fire Department Therapy Dog Grant Program**

\$100,000 the second year is to issue grants to law enforcement agencies and fire departments to acquire, train, and maintain therapy dogs to aid in treating peace officers and firefighters suffering from job-related trauma and post-traumatic stress disorder and to assist in responding to calls involving persons in crisis. Eligible law enforcement agencies and fire departments may receive grants of up to \$10,000. Interested law enforcement agencies and fire departments must submit an application to the commissioner on a form prepared by the commissioner. The commissioner must give preference to applicants that demonstrate that the agency's peace officers or department's firefighters suffer a high rate of job-related trauma or post-traumatic stress disorder or are exposed regularly to high-stress incidents that are known to cause job-related trauma or post-traumatic stress disorder. This is a onetime appropriation.

Each grant recipient must report to the commissioner and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety policy and finance on how the grant was expended. The report must include an overview of the grant recipient's budget, a detailed explanation of how grant funds were expended, the number of dogs trained with grant funds, the number of peace officers or firefighters served by dogs trained with grant funds, and a list and explanation of the benefits received by peace officers or firefighters who were served by dogs trained with grant funds. An initial report is due by January 15, 2025, and a final report is due by January 15, 2026.

**(d) Mediation and Restorative Justice Grants**

\$50,000 the second year is for a grant to a nonprofit organization that provides mediation and dispute resolution services in the Hmong community to provide mediation and restorative justice services. This is a onetime appropriation.

**Subd. 5. Emergency Communication Networks**

7,000,000

-0-

**Digital Geographic Information System Mapping For School Facilities**

\$7,000,000 the first year from the state government special revenue fund for 911 emergency telecommunications services is to issue grants to the regional emergency communications boards as defined by Minnesota Statutes, section 403.392, for digital geographic information system mapping for school facilities. This is a onetime appropriation and is available until June 30, 2026.

Sec. 5. **CORRECTIONS****\$5,900,000****\$2,000,000****Operating Deficiency**

\$5,900,000 the first year and \$2,000,000 the second year are for the operation of correctional facilities. The base for this appropriation is \$7,110,000 beginning in fiscal year 2026.

Sec. 6. **CLEMENCY REVIEW COMMISSION****\$-0-****\$986,000**

\$986,000 the second year is for the Clemency Review Commission in Minnesota Statutes, section 638.09. Of this amount, \$200,000 is for grants to support outreach and clemency application assistance.

Sec. 7. **MINNESOTA MANAGEMENT AND BUDGET****\$-0-****\$150,000**

\$150,000 the second year is for the Office of Addiction and Recovery to provide support staff, office and meeting space, and administrative services for the Task Force on Holistic and Effective Responses to Illicit Drug Use. This is a onetime appropriation.

Sec. 8. **[16A.286] TRANSFER; DISASTER ASSISTANCE CONTINGENCY ACCOUNT.**

(a) If the balance in the disaster assistance contingency account under section 12.221 at the end of a biennium is less than \$50,000,000, the commissioner of management and budget must make transfers according to this section.

(b) If the final general fund closing balance for a biennium exceeds the closing balance projected for that biennium at the end of the previous regular legislative session by at least \$50,000,000, the commissioner of management and budget must transfer the difference between \$50,000,000 and the balance in the disaster assistance contingency account at the end of the biennium from the general fund to the disaster assistance contingency account.

(c) If the final general fund closing balance for a biennium exceeds the closing balance projected for that biennium at the end of the previous legislative session by less than \$50,000,000, the commissioner of management and budget must transfer the difference between \$50,000,000 and the balance in the disaster assistance contingency account at the end of the biennium from the general fund to the disaster assistance contingency account. The amount transferred under this paragraph shall not exceed the difference between the final closing balance for the previous biennium and the closing balance projected for the general fund at the end of the previous regular legislative session.

(d) For the purposes of this section, the term "regular legislative session" includes a special legislative session to enact the biennial budget.

(e) If a transfer is required under this section, the transfer must be completed before October 15 following the end of the previous biennium.

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



Sec. 9. Laws 2023, chapter 52, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. <b>Civil Legal Services</b>	33,560,000	33,560,000
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The general fund base is ~~\$34,167,000~~ \$0 beginning in fiscal year 2026.

#### **Legal Services to Low-Income Clients in Family Law Matters**

\$1,017,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

Sec. 10. Laws 2023, chapter 52, article 2, section 3, subdivision 5, is amended to read:

Subd. 5. <b>Fire Marshal</b>	17,013,000	17,272,000
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#### **Appropriations by Fund**

General	4,184,000	4,190,000
Special Revenue	12,829,000	13,082,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012. The base appropriation for this account is \$13,182,000 in fiscal year 2026 and \$13,082,000 in fiscal year 2027.

#### **(a) Hazardous Materials and Emergency Response Teams**

\$1,695,000 the first year and \$1,595,000 the second year are from the fire safety account for hazardous materials and emergency response teams. The base for these purposes is \$1,695,000 in the first year of future biennia and \$1,595,000 in the second year of future biennia.

#### **(b) Bomb Squad Reimbursements**

\$250,000 from the fire safety account and \$50,000 from the general fund each year are for reimbursements to local governments for bomb squad services.

#### **(c) Nonresponsible Party Reimbursements**

\$750,000 each year from the fire safety account is for nonresponsible party hazardous material, Urban Search and Rescue, Minnesota Air Rescue Team, and bomb squad incident reimbursements. Money appropriated for this purpose is available for one year.

**(d) Hometown Heroes Assistance Program**

\$4,000,000 each year from the general fund is for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477.

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

Sec. 11. Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended by Laws 2023, chapter 69, section 12, is amended to read:

Subd. 8. <b>Office of Justice Programs</b>		94,758,000	80,434,000
Appropriations by Fund			
General	94,662,000	80,338,000	
State Government			
Special Revenue	96,000	96,000	

**(a) Domestic and Sexual Violence Housing**

\$1,500,000 each year is to establish a Domestic Violence Housing First grant program to provide resources for survivors of violence to access safe and stable housing and for staff to provide mobile advocacy and expertise in housing resources in their community and a Minnesota Domestic and Sexual Violence Transitional Housing program to develop and support medium to long term transitional housing for survivors of domestic and sexual violence with supportive services. The base for this appropriation is \$1,000,000 beginning in fiscal year 2026.

**(b) Federal Victims of Crime Funding Gap**

\$11,000,000 each year is to fund services for victims of domestic violence, sexual assault, child abuse, and other crimes. This is a onetime appropriation.

**(c) Office for Missing and Murdered Black Women and Girls**

\$1,248,000 each year is to establish and maintain the Minnesota Office for Missing and Murdered Black Women and Girls.

**(d) Increased Staffing**

\$667,000 the first year and \$1,334,000 the second year are to increase staffing in the Office of Justice Programs for grant monitoring and compliance; provide training and technical assistance to grantees and potential grantees; conduct community outreach and engagement to improve the experiences and outcomes of applicants, grant recipients, and crime victims

throughout Minnesota; expand the Minnesota Statistical Analysis Center; and increase staffing for the crime victim reimbursement program and the Crime Victim Justice Unit.

**(e) Office of Restorative Practices**

\$500,000 each year is to establish and maintain the Office of Restorative Practices.

**(f) Crossover and Dual-Status Youth Model Grants**

\$1,000,000 each year is to provide grants to local units of government to initiate or expand crossover youth practices model and dual-status youth programs that provide services for youth who are involved with or at risk of becoming involved with both the child welfare and juvenile justice systems, in accordance with the Robert F. Kennedy National Resource Center for Juvenile Justice model. This is a onetime appropriation.

**(g) Restorative Practices Initiatives Grants**

\$4,000,000 each year is for grants to establish and support restorative practices initiatives pursuant to Minnesota Statutes, section 299A.95, subdivision 6. The base for this appropriation is \$2,500,000 beginning in fiscal year 2026.

**(h) Ramsey County Youth Treatment Homes Acquisition and Betterment**

\$5,000,000 the first year is for a grant to Ramsey County to establish, with input from community stakeholders, including impacted youth and families, up to seven intensive trauma-informed therapeutic treatment homes in Ramsey County that are licensed by the Department of Human Services, that are culturally specific, that are community-based, and that can be secured. These residential spaces must provide intensive treatment and intentional healing for youth as ordered by the court as part of the disposition of a case in juvenile court. This appropriation is available through June 30, 2026.

**(i) Ramsey County Violence Prevention**

\$5,000,000 the first year is for a grant to Ramsey County to award grants to develop new and further enhance existing community-based organizational support through violence prevention and community wellness grants. Grantees must use the money to create family support groups and resources to support families during the time a young person is placed out of home following a juvenile delinquency adjudication and support the family through the period of postplacement reentry; create community-based respite options for conflict or crisis de-escalation to prevent incarceration or

further systems involvement for families; or establish additional meaningful employment opportunities for systems-involved youth. This appropriation is available through June 30, 2027.

**(j) Office for Missing and Murdered Indigenous Relatives**

\$274,000 each year is for increased staff and operating costs of the Office for Missing and Murdered Indigenous Relatives, the Missing and Murdered Indigenous Relatives Advisory Board, and the Gaagige-Mikwendaagoziwag reward advisory group.

**(k) Youth Intervention Programs**

\$3,525,000 the first year and \$3,526,000 the second year are for youth intervention programs under Minnesota Statutes, section 299A.73. The base for this appropriation is \$3,526,000 in fiscal year 2026 and \$3,525,000 in fiscal year 2027.

**(l) Community Crime Intervention and Prevention Grants**

\$750,000 each year is for community crime intervention and prevention program grants, authorized under Minnesota Statutes, section 299A.296. This is a onetime appropriation.

**(m) Resources for Victims of Crime**

\$1,000,000 each year is for general crime victim grants to meet the needs of victims of crime not covered by domestic violence, sexual assault, or child abuse services. This is a onetime appropriation.

**(n) Prosecutor Training**

\$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. All training funded with grant proceeds must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

The Minnesota County Attorneys Association must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training. The report is due by February 15, 2025. The report may include trainings scheduled to be completed after the date of submission with an estimate of expected participants.

(o) **Minnesota Heals**

\$500,000 each year is for the Minnesota Heals grant program. This is a onetime appropriation.

(p) **Sexual Assault Exam Costs**

\$3,967,000 the first year and \$3,767,000 the second year are to reimburse qualified health care providers for the expenses associated with medical examinations administered to victims of criminal sexual conduct as required under Minnesota Statutes, section 609.35, and for costs to administer the program. The base for this appropriation is \$3,771,000 in fiscal year 2026 and \$3,776,000 in fiscal year 2027.

(q) **First Responder Mental Health Curriculum**

\$75,000 each year is for a grant to the Adler graduate school. The grantee must use the grant to develop a curriculum for a 24-week certificate to train licensed therapists to understand the nuances, culture, and stressors of the work environments of first responders to allow those therapists to provide effective treatment to first responders in distress. The grantee must collaborate with first responders who are familiar with the psychological, cultural, and professional issues of their field to develop the curriculum and promote it upon completion.

The grantee may provide the program online.

The grantee must seek to recruit additional participants from outside the 11-county metropolitan area.

The grantee must create a resource directory to provide law enforcement agencies with names of counselors who complete the program and other resources to support law enforcement professionals with overall wellness. The grantee shall collaborate with the Department of Public Safety and law enforcement organizations to promote the directory. This is a onetime appropriation.

(r) **Pathways to Policing**

\$400,000 each year is for reimbursement grants to state and local law enforcement agencies that operate pathway to policing programs. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training program participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner. This is a onetime appropriation.

**(s) Direct Assistance to Crime Victim Survivors**

\$5,000,000 each year is to provide grants for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. The office shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, when allocating funds.

**(t) Racially Diverse Youth**

\$250,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. Of this amount, \$125,000 each year is to address this issue in the Rochester area and \$125,000 each year is to address this issue in the St. Cloud area. A grant recipient shall establish and operate a pilot program connected to shelter services to engage in community intervention outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program must specifically address the high number of racially diverse youth that enter shelters in the regions. This is a onetime appropriation.

**(u) Violence Prevention Project Research Center**

\$500,000 each year is for a grant to the Violence Prevention Project Research Center, operating as a 501(c)(3) organization, for research focused on reducing violence in society that uses data and analysis to improve criminal justice-related policy and practice in Minnesota. Research must place an emphasis on issues related to deaths and injuries involving firearms. This is a onetime appropriation.

Beginning January 15, 2025, the Violence Prevention Project Research Center must submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on its work and findings. The report must include a description of the data reviewed, an analysis of that data, and recommendations to

improve criminal justice-related policy and practice in Minnesota with specific recommendations to address deaths and injuries involving firearms.

**(v) Report on Approaches to Address Illicit Drug Use in Minnesota**

\$118,000 each year is to enter into an agreement with Rise Research LLC for a study and set of reports on illicit drug use in Minnesota describing current responses to that use, reviewing alternative approaches utilized in other jurisdictions, and making policy and funding recommendations for a holistic and effective response to illicit drug use and the illicit drug trade. The agreement must establish a budget and schedule with clear deliverables. This appropriation is onetime.

The study must include a review of current policies, practices, and funding; identification of alternative approaches utilized effectively in other jurisdictions; and policy and funding recommendations for a response to illicit drug use and the illicit drug trade that reduces and, where possible, prevents harm and expands individual and community health, safety, and autonomy. Recommendations must consider impacts on public safety, racial equity, accessibility of health and ancillary supportive social services, and the intersections between drug policy and mental health, housing and homelessness, overdose and infectious disease, child welfare, and employment.

Rise Research may subcontract and coordinate with other organizations or individuals to conduct research, provide analysis, and prepare the reports required by this section.

Rise Research shall submit reports to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy, human services finance and policy, health finance and policy, and judiciary finance and policy. Rise Research shall submit an initial report by February 15, 2024, and a final report by March 1, 2025.

**(w) Legal Representation for Children**

\$150,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. These appropriations are in addition to any other appropriations for the legal representation of children. This appropriation is onetime.

**(x) Pretrial Release Study and Report**

\$250,000 each year are for a grant to the Minnesota Justice Research Center to study and report on pretrial release practices in Minnesota and other jurisdictions, including but not limited to the use of bail as a condition of pretrial release. This appropriation is onetime.

**(y) Intensive Comprehensive Peace Officer Education and Training Program**

\$5,000,000 the first year is to implement the intensive comprehensive peace officer education and training program described in Minnesota Statutes, section 626.8516. This appropriation is available through June 30, 2027.

**(z) Youth Services Office**

\$250,000 each year is to operate the Youth Services Office.

Sec. 12. Laws 2023, chapter 52, article 2, section 6, subdivision 1, is amended to read:

Subdivision 1. <b>Total Appropriation</b>	<b>\$12,643,000</b>	<b>\$797,937,000</b>	<b>\$ <del>826,661,000</del></b>
			<b><u>825,675,000</u></b>

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

Sec. 13. Laws 2023, chapter 52, article 2, section 6, subdivision 4, is amended to read:

Subd. 4. <b>Organizational, Regulatory, and Administrative Services</b>	73,586,000	<del>74,287,000</del>
		<u>73,301,000</u>

**(a) Public Safety Data Infrastructure**

\$22,914,000 the first year and \$22,915,000 the second year are for technology modernization and the development of an information-sharing and data-technology infrastructure. The base for this purpose is \$4,097,000 beginning in fiscal year 2026. Any unspent funds from the current biennium do not cancel and are available in the next biennium.

**(b) Supervised Release Board**

\$40,000 each year is to establish and operate the supervised release board pursuant to Minnesota Statutes, section 244.049.

**(c) Recruitment and Retention**

\$3,200,000 the first year and \$400,000 the second year are for recruitment and retention initiatives. Of this amount, \$2,800,000 the first year is for staff recruitment, professional development,



conflict resolution, and staff wellness, and to contract with community collaborative partners who specialize in trauma recovery.

**(d) Clemency Review Commission**

\$986,000 ~~each year~~ the first year is for the clemency review commission described in Minnesota Statutes, section 638.09. Of this amount, \$200,000 each year is for grants to support outreach and clemency application assistance. Any unencumbered balance remaining in the first year does not cancel, but must be transferred to the Clemency Review Commission by July 30, 2024. Funds transferred under this paragraph are available until June 30, 2025.

**(e) Accountability and Transparency**

\$1,000,000 each year is for accountability and transparency initiatives. The base for this appropriation is \$1,480,000 beginning in fiscal year 2026.

**(f) Organizational, Regulatory, and Administrative Services  
Base Budget**

The base for organizational, regulatory, and administrative services is ~~\$55,849,000~~ \$54,863,000 in fiscal year 2026 and ~~\$55,649,000~~ \$54,663,000 in fiscal year 2027.

**Sec. 14. 2024 TRANSFER; DISASTER ASSISTANCE CONTINGENCY ACCOUNT.**

If the general fund final closing balance for the fiscal year ending June 30, 2024, exceeds the projected ending balance for the fiscal year ending June 30, 2024, made at the end of the 2024 legislative session, the commissioner of management and budget shall transfer an amount equal to the lesser of (1) the difference between the general fund final closing balance and the projected ending balance for the fiscal year ending June 30, 2024, or (2) the difference between \$50,000,000 and the balance in the disaster assistance contingency account on June 30, 2024, from the general fund to the disaster assistance contingency account created in Minnesota Statutes, section 12.221, subdivision 6. The amount transferred shall not result in a balance in the disaster assistance contingency account of more than \$50,000,000. This is a onetime transfer to be completed by October 15, 2024.

**Sec. 15. STATE BOARD OF CIVIL LEGAL AID.**

The general fund appropriation base for the State Board of Civil Legal Aid is \$34,167,000 beginning in fiscal year 2026 for staffing and other costs needed to establish and perform the duties of the State Board of Civil Legal Aid.

**Sec. 16. REPORT PREVENTING VIOLENCE AGAINST LATINA WOMEN AND QUEER LATINES  
IN MINNESOTA.**

(a) The commissioner of public safety shall provide a grant to Esperanza United to develop a report that provides preliminary research and recommendations to reduce, prevent, and end violence against Latina women and girls, including queer Latines, in Minnesota. The Department of Public Safety shall provide support and technical assistance to Esperanza United as requested.

(b) The report may include recommended strategies to disrupt the pathways toward gender-based violence and help prevent violence before it occurs, such as outreach and communication, public engagement, and public campaigns to address and educate local communities about self confidence, leadership skills, family support, and healthy relationships. The report may identify:

(1) ways to effectively connect programs and services provided by state agencies, counties, and nongovernmental organizations to improve services to victims and survivors, and their families and communities;

(2) systemic causes behind violence impacting Latina women and girls, including queer Latines, and patterns and underlying factors explaining disproportionality, including underlying historical, social, economic, religious, institutional, immigration, and cultural factors that may contribute to the violence;

(3) appropriate methods for tracking and collecting data on violence against Latinas and queer Latines, including data and research on prevention methods;

(4) policies and institutional practices in education, labor, child welfare, coroner practices, policing, health care, civil and criminal legal systems, and other practices impacting victims;

(5) measures necessary to address and reduce violence, including public awareness, research, community awareness campaigns, youth education, and family support practices; and

(6) measures to help victims and survivors, and their families and communities, prevent and heal from violence, including recommendations to expand existing programs; identify new strategies that educate young people in effective communication, training in self confidence, leadership skills, and healthy relationships; and general innovative strategies that strengthen relationships with families and networks of support.

(c) The report shall be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety by January 1, 2025.

#### **Sec. 17. YOUTH SUPPORT SERVICES GRANTS.**

Subdivision 1. **Grants to counties.** Of the amount appropriated for fiscal year 2026 from the community crime and violence prevention account in the special revenue fund to the commissioner of public safety for grants to community crime intervention and prevention programs, \$500,000 must be distributed as provided in this section. The commissioner of public safety shall issue grants to Anoka County, Hennepin County, and Ramsey County for the purposes described in subdivision 2. Of the total amount appropriated for this purpose, 20 percent is for a grant to Anoka County, 40 percent is for a grant to Hennepin County, and 40 percent is for a grant to Ramsey County.

Subd. 2. **Grants to community organizations; eligibility.** (a) A county that receives a grant pursuant to subdivision 1 must use the money received to issue subgrants to community organizations or community-rooted programs to provide intervention and support services for youth who come into contact with peace officers and are suspected to have committed a juvenile petty offense or delinquent act. A subgrantee must disclose to the county the number of cases and the types of offenses they are able to accept. A subgrantee may also use a subgrant to provide stipends or salaries to employ eligible youth. A county may retain up to five percent of the amount received for administrative costs.

(b) To qualify for a subgrant under this section, a program must provide services that:

(1) were in operation before July 1, 2024;

(2) may be used as an alternative to arrest pursuant to Minnesota Statutes, section 260B.1755;

(3) promote personal accountability, prosocial connections, and positive youth development;

(4) include wraparound services to educate and support families of participating youth; and

(5) utilize data-supported practices.

(c) Eligible programs may utilize restorative practices or qualify as a pretrial diversion program for juveniles pursuant to Minnesota Statutes, section 388.24.

(d) In issuing subgrants, counties must prioritize programs that incorporate employment or jobs skills training and programs that collaborate with local law enforcement agencies and accept referrals for intervention from local law enforcement agencies.

Subd. 3. **Return of grant money.** Any portion of a grant issued to a county pursuant to subdivision 1 that is unspent or unencumbered on July 1, 2026, must be returned to the commissioner of public safety. Any money returned to the commissioner pursuant to this subdivision must be treated as a canceled appropriation and deposited in the general fund.

Subd. 4. **Reports.** By September 30, 2026, the counties receiving grants under this section must report to the commissioner of public safety on the programs that received subgrants. At a minimum, the report must include:

(1) the recipients of any subgrants;

(2) the programs and services provided by each recipient;

(3) the number of youth served by each recipient and the respective referring agency, if applicable;

(4) aggregated demographic data regarding youth participating in programs provided by each recipient;

(5) if applicable, the number and percentage of youth who successfully completed a program or were still participating in a program at the time of the report; and

(6) the total number of unique youth referrals, and additional referrals for youth for new delinquent offenses after youth began participating in a program or receiving services.

**Sec. 18. DIGITAL GEOGRAPHIC INFORMATION SYSTEM MAPPING FOR SCHOOL FACILITIES.**

(a) The commissioner of public safety shall issue grants to regional emergency communications boards to map school facilities.

(b) If awarded a grant, a regional emergency communications board must use the grant funds exclusively to create digital geographic information system mapping data of facilities managed by a school district; a charter school; an intermediate school district or cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2; the Perpich Center for Arts Education; the Minnesota State Academies; private schools; or a Tribal contract school that serves children in early childhood or prekindergarten programs or students enrolled in kindergarten through grade 12 within the regional emergency communications board's jurisdiction.

(c) The data created pursuant to paragraph (b) must be:

(1) compatible with software platforms used by local, state, and federal public safety agencies that provide emergency services to the specific school for which the data are provided without requiring the agencies to purchase additional software or requiring a fee to view or access the data;

(2) compatible with security software platforms in use by the specific school for which the data are provided without requiring the local law enforcement agencies or school districts to purchase additional software or requiring a fee to view or access the data;

(3) verified for accuracy following a physical walkthrough; and

(4) perpetually available to schools and law enforcement agencies mapped pursuant to a grant and the Department of Public Safety.

(d) The statewide emergency communications board may implement further requirements at the board's discretion.

(e) At the conclusion of work completed pursuant to a grant under this section, the regional emergency communications board must deliver a copy of the data created, collected, or maintained under this section to the school that manages the facility that was mapped without payment, and in a manner that the school may use and access the data without limitation. The data must be provided in a form that permits the school to share the data with a law enforcement agency.

(f) Regional emergency communications boards and schools must report any breach of the security of the data as defined in Minnesota Statutes, section 13.055, subdivision 1, paragraph (a), to the superintendent of the Bureau of Criminal Apprehension.

(g) Each regional emergency communications board that receives a grant must complete the mapping project and report completion to the commissioner on or before July 1, 2026. Upon request, the commissioner may grant a reasonable extension of time to the requesting regional emergency communications board to complete the project.

(h) Regional emergency communications boards shall work collaboratively with schools and public safety agencies to include local law enforcement agencies, fire departments, EMS, and emergency 911 services during the procurement process.

(i) Subject to the requirements in paragraph (e), regional emergency communications boards shall have exclusive ownership and control over any data created or collected pursuant to this section.

(j) Any data created under this section are classified as nonpublic data as defined in Minnesota Statutes, section 13.02, subdivision 9.

## ARTICLE 2 CRIME VICTIM PROVISIONS

Section 1. Minnesota Statutes 2022, section 243.05, subdivision 1b, is amended to read:

Subd. 1b. **Victim's rights.** (a) This subdivision applies to parole decisions relating to inmates convicted of first-degree murder who are described in subdivision 1, clauses (a) and (b). As used in this subdivision, "victim" ~~means the murder victim's surviving spouse or next of kin~~ has the meaning given in section 611A.01, paragraph (b).

(b) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's parole review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be paroled at that time. The commissioner must consider the victim's statement when making the parole decision.

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

Sec. 2. Minnesota Statutes 2022, section 244.052, subdivision 3, is amended to read:

Subd. 3. **End-of-confinement review committee.** (a) The commissioner of corrections shall establish and administer end-of-confinement review committees at each state correctional facility and at each state treatment facility where predatory offenders are confined. The committees shall assess on a case-by-case basis the public risk posed by predatory offenders who are about to be released from confinement.

(b) Each committee shall be a standing committee and shall consist of the following members appointed by the commissioner:

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

(4) a caseworker experienced in supervising sex offenders; and

(5) a victim's services professional.

Members of the committee, other than the facility's chief executive officer or head, shall be appointed by the commissioner to two-year terms. The chief executive officer or head of the facility or designee shall act as chair of the committee and shall use the facility's staff, as needed, to administer the committee, obtain necessary information from outside sources, and prepare risk assessment reports on offenders.

(c) The committee shall have access to the following data on a predatory offender only for the purposes of its assessment and to defend the committee's risk assessment determination upon administrative review under this section:

(1) private medical data under section 13.384 or sections 144.291 to 144.298, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

Data collected and maintained by the committee under this paragraph may not be disclosed outside the committee, except as provided under section 13.05, subdivision 3 or 4. The predatory offender has access to data on the offender collected and maintained by the committee, unless the data are confidential data received under this paragraph.

(d)(i) Except as otherwise provided in items (ii), (iii), and (iv), at least 90 days before a predatory offender is to be released from confinement, the commissioner of corrections shall convene the appropriate end-of-confinement review committee for the purpose of assessing the risk presented by the offender and determining the risk level to which the offender shall be assigned under paragraph (e). The offender and the law enforcement agency that was responsible for the charge resulting in confinement shall be notified of the time and place of the committee's meeting. The offender has a right to be present and be heard at the meeting. The law enforcement agency, agent, and victim may provide material in writing that is relevant to the offender's risk level to the chair of the committee. The committee shall use the risk factors described in paragraph (g) and the risk assessment scale developed under subdivision 2 to determine the offender's risk assessment score and risk level. Offenders scheduled for release from confinement shall be assessed by the committee established at the facility from which the offender is to be released.

(ii) If an offender is received for confinement in a facility with less than 90 days remaining in the offender's term of confinement, the offender's risk shall be assessed at the first regularly scheduled end of confinement review committee that convenes after the appropriate documentation for the risk assessment is assembled by the committee. The commissioner shall make reasonable efforts to ensure that offender's risk is assessed and a risk level is assigned or reassigned at least 30 days before the offender's release date.

(iii) If the offender is subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, the commissioner of corrections shall convene the appropriate end-of-confinement review committee at least nine months before the offender's minimum term of imprisonment has been served. If the offender is received for confinement in a facility with less than nine months remaining before the offender's minimum term of imprisonment has been served, the committee shall conform its procedures to those outlined in item (ii) to the extent practicable.

(iv) If the offender is granted supervised release, the commissioner of corrections shall notify the appropriate end-of-confinement review committee that it needs to review the offender's previously determined risk level at its next regularly scheduled meeting. The commissioner shall make reasonable efforts to ensure that the offender's earlier risk level determination is reviewed and the risk level is confirmed or reassigned at least 60 days before the offender's release date. The committee shall give the report to the offender and to the law enforcement agency, and the commissioner shall provide notice of the risk level assignment to the victim, if requested, at least 60 days before an offender is released from confinement.

(e) The committee shall assign to risk level I a predatory offender whose risk assessment score indicates a low risk of reoffense. The committee shall assign to risk level II an offender whose risk assessment score indicates a moderate risk of reoffense. The committee shall assign to risk level III an offender whose risk assessment score indicates a high risk of reoffense.

(f) Before the predatory offender is released from confinement, the committee shall prepare a risk assessment report which specifies the risk level to which the offender has been assigned and the reasons underlying the committee's risk assessment decision. Except for an offender subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, who has not been granted supervised release, the committee shall give the report to the offender and to the law enforcement agency, and the commissioner shall provide notice of the risk level assignment to the victim, if requested, at least 60 days before an offender is released from confinement. If the offender is subject to a mandatory life sentence and has not yet served the entire minimum term of imprisonment, the committee shall give the report to the offender and to the commissioner at least six months before the offender is first eligible for release. If the risk assessment is performed under the circumstances described in paragraph (d), item (ii), the report shall be given to the offender and the law enforcement agency as soon as it is available. The committee also shall inform the offender of the availability of review under subdivision 6.

(g) As used in this subdivision, "risk factors" includes, but is not limited to, the following factors:

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

- (i) the degree of likely force or harm;
- (ii) the degree of likely physical contact; and
- (iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

- (i) the relationship of prior victims to the offender;
- (ii) the number of prior offenses or victims;
- (iii) the duration of the offender's prior offense history;
- (iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and
- (v) the offender's prior history of other antisocial acts;

(3) the offender's characteristics. This factor includes consideration of the following:

- (i) the offender's response to prior treatment efforts; and
- (ii) the offender's history of substance abuse;

(4) the availability of community supports to the offender. This factor includes consideration of the following:

- (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
- (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;
- (iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and

(iv) the offender's lack of education or employment stability;

(5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and

(6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.

(h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after

the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.

(i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after three years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. In order for a request for a risk level reduction to be granted, the offender must demonstrate full compliance with supervised release conditions, completion of required post-release treatment programming, and full compliance with all registration requirements as detailed in section 243.166. The offender must also not have been convicted of any felony, gross misdemeanor, or misdemeanor offenses subsequent to the assignment of the original risk level. The committee shall follow the process outlined in paragraphs (a) to (c) in the reassessment. An offender who is incarcerated may not request a reassessment under this paragraph.

(j) Offenders returned to prison as release violators shall not have a right to a subsequent risk reassessment by the end-of-confinement review committee unless substantial evidence indicates that the offender's risk to the public has increased.

(k) If the committee assigns a predatory offender to risk level III, the committee shall determine whether residency restrictions shall be included in the conditions of the offender's release based on the offender's pattern of offending behavior.

Sec. 3. Minnesota Statutes 2022, section 253B.18, subdivision 5a, as amended by Laws 2024, chapter 79, article 5, section 15, is amended to read:

Subd. 5a. **Victim notification of petition and release; right to submit statement.** (a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4e, and also includes offenses listed in section 253D.02, subdivision 8, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime the behavior for which forms the basis for a commitment under this section or chapter 253D, and includes the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person; and



(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or chapter 253D that an act or acts constituting a crime occurred or were part of their course of harmful sexual conduct.

(b) A county attorney who files a petition to commit a person under this section or chapter 253D shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition and the process for requesting notification of an individual's change in status as provided in paragraph (c).

(c) A victim may request notification of an individual's discharge or release as provided in paragraph (d) by submitting a written request for notification to the executive director of the facility in which the individual is confined. The Department of Corrections or a county attorney who receives a request for notification from a victim under this section shall promptly forward the request to the executive director of the treatment facility in which the individual is confined.

(d) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section from a state-operated treatment program or treatment facility, the head of the state-operated treatment program or head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the medical director of the secure treatment facility, special review board, or executive board with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the executive board shall provide the judicial appeal panel with victim information in order to comply with the provisions of this section. The judicial appeal panel shall ensure that the data on victims remains private as provided for in section 611A.06, subdivision 4. These notices shall only be provided to victims who have submitted a written request for notification as provided in paragraph (c).

(e) The rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5 or section 253D.14.

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

Sec. 4. Minnesota Statutes 2022, section 253D.14, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4e, and also includes offenses listed in section 253D.02, subdivision 8, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime, the behavior for which forms the basis for a commitment under this chapter, and includes the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or section 253B.18, that an act or acts constituting a crime occurred.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 609.35, is amended to read:

**609.35 COSTS OF MEDICAL EXAMINATION.**

(a) Costs incurred by a hospital or other emergency medical facility or by a physician, sexual assault nurse examiner, forensic nurse, or other licensed health care provider for the examination of a victim of criminal sexual conduct that occurred in the state shall be paid by the state. These costs include, but are not limited to, the cost of the medical forensic examination, associated tests and treatments relating to sexually transmitted infection, and pregnancy status, including emergency contraception. A hospital, emergency medical facility, or health care provider shall submit the costs for examination and any associated tests and treatment to the Office of Justice Programs for payment. Upon receipt of the costs, the commissioner shall provide payment to the facility or health care provider. Reimbursement for an examination and any associated test and treatments shall not exceed \$1,400. Beginning on January 1, 2024, the maximum amount of an award shall be adjusted annually by the inflation rate.

(b) Nothing in this section shall be construed to limit the duties, responsibilities, or liabilities of any insurer, whether public or private. The hospital or other licensed health care provider performing the examination may seek insurance reimbursement from the victim's insurer only if authorized by the victim. This authorization may only be sought after the examination is performed. When seeking this authorization, the hospital or other licensed health care provider shall inform the victim that if the victim does not authorize this, the state is required by law to pay for the examination and that the victim is in no way liable for these costs or obligated to authorize the reimbursement.

(c) The applicability of this section does not depend upon whether the victim reports the offense to law enforcement or the existence or status of any investigation or prosecution.

(d) Requests for reimbursement and supporting documents are private data on individuals as defined in section 13.02, subdivision 12.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to data requests received before that date if the responsible authority has not yet provided a response.

Sec. 6. Minnesota Statutes 2023 Supplement, section 611A.039, subdivision 1, is amended to read:

Subdivision 1. **Notice required.** (a) Except as otherwise provided in subdivision 2, within 15 working days after a conviction, acquittal, or dismissal in a criminal case in which there is an identifiable crime victim, the prosecutor shall make reasonable good faith efforts to provide to each affected crime victim oral or written notice of the final disposition of the case and of the victim rights under section 611A.06. When the court is considering modifying the sentence for a felony or a crime of violence or an attempted crime of violence, the prosecutor shall make a reasonable and good faith effort to notify the victim of the crime. ~~If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian.~~ The notice must include:

(1) the date and approximate time of the review;

(2) the location where the review will occur;

(3) the name and telephone number of a person to contact for additional information; and

(4) a statement that the victim ~~and victim's family~~ may provide input to the court concerning the sentence modification.

(b) The Office of Justice Programs in the Department of Public Safety shall develop and update a model notice of postconviction rights under this subdivision and section 611A.06.

(c) As used in this section:

(1) "crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes violations of section 609.3458, gross misdemeanor violations of section 609.224, and nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749; and

(2) "victim" has the meaning given in section 611A.01, paragraph (b).

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

Sec. 7. Minnesota Statutes 2022, section 611A.06, is amended by adding a subdivision to read:

Subd. 2a. **Notice of end-of-confinement review committee process and opportunity to provide input.** If an individual scheduled to be released from imprisonment is subject to an end-of-confinement review under section 244.052, the commissioner of corrections shall make a good faith effort to notify the victim of the end-of-confinement review process and that the victim has a right to submit written input for consideration at the end-of-confinement review hearing. The victim has a continuing right to submit input if the end-of-confinement review committee receives a request to reassess the individual's assigned risk level. These notices shall only be provided to victims who have submitted a written request for this notice to the commissioner of corrections or an electronic request through the Department of Corrections electronic victim notification system. The good faith effort to notify the victim must occur before the offender's end-of-confinement review hearing and provide sufficient time for the input to be considered in the end-of-confinement determination.

Sec. 8. Minnesota Statutes 2022, section 611A.212, subdivision 1, is amended to read:

Subdivision 1. **Grants.** The commissioner of public safety shall award grants for statewide organizations to provide subgrants, support, resources, and technical assistance to sexual assault programs that provide sexual assault primary prevention services to prevent initial perpetration or victimization of sexual assault.

Sec. 9. Minnesota Statutes 2023 Supplement, section 611A.52, subdivision 5, is amended to read:

Subd. 5. **Collateral source.** "Collateral source" means a source of benefits or advantages for economic loss otherwise reimbursable under sections 611A.51 to 611A.68 which the victim or claimant has received, or which is readily available to the victim, from:

(1) the offender;

(2) the government of the United States or any agency thereof, a state or any of its political subdivisions, or an instrumentality of two or more states, unless the law providing for the benefits or advantages makes them excess or secondary to benefits under sections 611A.51 to 611A.68;

(3) Social Security, Medicare, and Medicaid;

- (4) state required temporary nonoccupational disability insurance;
- (5) workers' compensation;
- (6) wage continuation programs of any employer;
- (7) proceeds of a contract of insurance payable to the victim for economic loss sustained because of the crime;
- (8) a contract providing prepaid hospital and other health care services, or benefits for disability; or
- ~~(9) any private source as a voluntary donation or gift; or~~
- ~~(10)~~ (9) proceeds of a lawsuit brought as a result of the crime.

The term does not include a life insurance contract or benefits from any private source provided as a voluntary donation or gift.

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

Sec. 10. Minnesota Statutes 2022, section 611A.73, subdivision 4, is amended to read:

Subd. 4. **Victim.** "Victim" ~~refers to anyone or the next of kin of anyone who has been or purports to have been subjected to a criminal act, whether a felony, a gross misdemeanor, or misdemeanor~~ has the meaning given in section 611A.01, paragraph (b).

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

Sec. 11. Minnesota Statutes 2022, section 629.72, subdivision 1, is amended to read:

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

- (b) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.
- (c) "Harass" and "stalking" have the meanings given in section 609.749.
- (d) "Violation of a domestic abuse no contact order" has the meaning given in section 629.75.
- (e) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.
- (f) "Victim" has the meaning in section 611A.01, paragraph (b).

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

Sec. 12. Minnesota Statutes 2022, section 629.72, subdivision 7, is amended to read:

Subd. 7. **Notice to victim regarding bail hearing.** (a) When a person arrested for or a juvenile detained for domestic assault or harassing or stalking is scheduled to be reviewed under subdivision 2 for release from pretrial detention, the court shall make a reasonable good faith effort to notify:

- ~~(1)~~ the victim of the alleged crime;

~~(2) if the victim is incapacitated or deceased, the victim's family; and~~

~~(3) if the victim is a minor, the victim's parent or guardian.~~

(b) The notification must include:

(1) the date and approximate time of the review;

(2) the location where the review will occur;

(3) the name and telephone number of a person that can be contacted for additional information; and

(4) a statement that the victim ~~and the victim's family~~ may attend the review.

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

Sec. 13. Minnesota Statutes 2022, section 629.725, is amended to read:

**629.725 NOTICE TO VICTIM REGARDING BAIL HEARING OF ARRESTED OR DETAINED PERSON.**

(a) When a person arrested or a juvenile detained for a crime of violence or an attempted crime of violence is scheduled to be reviewed under section 629.715 for release from pretrial detention, the court shall make a reasonable and good faith effort to notify the victim of the alleged crime. ~~If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian.~~ The notification must include:

(1) the date and approximate time of the review;

(2) the location where the review will occur;

(3) the name and telephone number of a person that can be contacted for additional information; and

(4) a statement that the victim and the victim's family may attend the review.

(b) As used in this section:

~~(1)~~ "crime of violence" has the meaning given it in section 624.712, subdivision 5, and also includes:

~~(1)~~ ~~(i)~~ sections 609.2112, 609.2113, 609.2114, and 609.3458;

~~(2)~~ ~~(ii)~~ gross misdemeanor violations of section 609.224;

~~(3)~~ ~~(iii)~~ nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749; and

~~(4)~~ ~~(iv)~~ Minnesota Statutes 2012, section 609.21; and

(2) "victim" has the meaning given in section 611A.01, paragraph (b).

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

Sec. 14. Minnesota Statutes 2022, section 629.73, subdivision 1, is amended to read:

Subdivision 1. **Oral notice.** When a person arrested or a juvenile detained for a crime of violence or an attempted crime of violence is about to be released from pretrial detention, the agency having custody of the arrested or detained person or its designee shall make a reasonable and good faith effort before release to inform orally the victim ~~or, if the victim is incapacitated, the same or next of kin, or if the victim is a minor, the victim's parent or guardian~~ of the following matters:

- (1) the conditions of release, if any;
- (2) the time of release;
- (3) the time, date, and place of the next scheduled court appearance of the arrested or detained person and, where applicable, the victim's right to be present at the court appearance; and
- (4) the location and telephone number of at least one area crime victim service provider as designated by the Office of Justice Programs in the Department of Public Safety.

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

Sec. 15. Minnesota Statutes 2022, section 629.73, is amended by adding a subdivision to read:

Subd. 4. **Definition.** As used in this section, "victim" has the meaning given in section 611A.01, paragraph (b).

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

### ARTICLE 3 LAW ENFORCEMENT PROVISIONS

#### Section 1. **[169.905] TRAFFIC STOP; QUESTIONING LIMITED.**

A peace officer making a traffic stop for a violation of this chapter or chapter 168 must not ask if the operator can identify the reason for the stop. A peace officer making such a traffic stop must inform the vehicle's operator of a reason for the stop unless it would be unreasonable to do so under the totality of the circumstances. A peace officer's failure to comply with this section must not serve as the basis for exclusion of evidence or dismissal of a charge or citation. Section 645.241 does not apply to violations of this section.

Sec. 2. Minnesota Statutes 2023 Supplement, section 214.10, subdivision 10, is amended to read:

Subd. 10. **Board of Peace Officers Standards and Training; receipt of complaint.** Notwithstanding the provisions of subdivision 1 to the contrary, when the executive director or any member of the Board of Peace Officer Standards and Training produces or receives a written statement or complaint that alleges a violation of a statute or rule that the board is empowered to enforce, the executive director ~~shall designate the appropriate law enforcement agency to investigate the complaint and~~ may order it an appropriate law enforcement agency to conduct an inquiry into the complaint's allegations. If directed to complete an investigation, the investigating agency must complete the inquiry and submit a written summary of it to the executive director within 30 days of the order for inquiry.

#### Sec. 3. **[219.995] RAILROAD PEACE OFFICERS.**

Subdivision 1. **Chief law enforcement officer.** A railroad that intends to employ railroad peace officers as defined in section 626.84, subdivision 1, paragraph (h), shall appoint a chief law enforcement officer to oversee and take responsibility for all railroad peace officers employed by the railroad. The chief law enforcement officer of a

railroad company must be a Minnesota-licensed peace officer. Before appointing a railroad chief law enforcement officer, the railroad must submit a request for license for a license-eligible applicant, or a notice of appointment for an officer already licensed in Minnesota, to the Board of Peace Officer Standards and Training attesting that the appointee has met all education, training, and minimum selection standards in Minnesota Rules, chapter 6700. The appointee may not exercise peace officer powers until the request for license or notification form is received and approved by the board.

Subd. 2. **Railroad; employment of peace officers.** After appointing a railroad chief law enforcement officer, a railroad may employ railroad peace officers to aid and supplement law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees.

Subd. 3. **Responsibilities of railroad company.** A railroad company that employs railroad peace officers must cooperate with the Board of Peace Officer Standards and Training with respect to the board's authority to oversee peace officer licensing. Upon request by the board, a railroad company that employs railroad peace officers must share or produce any public, private, or confidential data that the board has the authority to request from other state and local law enforcement agencies. Failure by the railroad company to comply with the board's exercise of its regulatory and oversight authority may result in implementation of sanctions as described in subdivision 7.

Subd. 4. **Duties of railroad chief law enforcement officer.** A railroad chief law enforcement officer has the same duties and responsibilities as the chief law enforcement officer of any state or local law enforcement agency, including but not limited to appointing and supervising peace officers, ensuring ongoing continuing education of peace officers, maintaining agency and peace officer records, reporting misconduct and policy compliance, and any other duty or responsibility described in chapter 626 or Minnesota Rules, chapter 6700.

Subd. 5. **Authority; limitation.** (a) Except as otherwise provided by this section, a railroad peace officer has all powers and privileges of a licensed peace officer in this state in connection with the prevention, investigation, arrest, or prosecution of an offense occurring on railroad property and involving injury to passengers or employees of a railroad or involving an offense against property owned by or in the care, custody, or control of a railroad. A railroad peace officer's law enforcement powers shall apply only on railroad property, except that an officer may exercise the authority given to peace officers under section 629.40, subdivisions 2 and 4. If a search warrant is obtained by a railroad peace officer, the officer shall notify the chief of police of an organized full-time police department of the municipality or, if there is no local chief of police, the sheriff or a deputy sheriff of the county in which service of the warrant is to be made, prior to execution.

(b) A railroad must not direct, require, or allow a railroad peace officer to enforce a railroad's rules, policies, or procedures that are unrelated to the commission of a criminal offense, or investigate any matter involving civil litigation by or against a railroad. A railroad company that employs railroad peace officers must adopt or update any applicable policy to be consistent with this paragraph and must provide a copy of the policy to the representatives of any labor organization that represents employees of the railroad, including but not limited to any labor organization subject to the Federal Railway Labor Act. Notwithstanding any law to the contrary, a railroad peace officer who makes a representation of being a peace officer and performs or attempts to perform any of those acts is subject to discipline as if the peace officer violated the standards of conduct set forth in Minnesota Rules, chapter 6700.

Subd. 6. **Licensing.** The Board of Peace Officer Standards and Training shall license railroad peace officers appointed by the railroad's chief law enforcement officer under subdivision 1 who meet the board's standards for peace officer licensure under chapter 626 and Minnesota Rules, chapter 6700. Except as otherwise provided in this section, railroad peace officers are subject to all of the provisions applicable to peace officers under chapter 626 and Minnesota Rules, chapter 6700.

Subd. 7. **Immediate suspension of authority.** At the sole discretion of the Board of Peace Officer Standards and Training, the board may immediately suspend or revoke the license of the chief law enforcement officer of a railroad company for any reason within the board's jurisdiction. If the board suspends or revokes the license of the chief law enforcement officer, the railroad's law enforcement agency shall be deemed disbanded and the licenses of all peace officers on the railroad agency roster will be placed in inactive status. The requirement to place a peace officer's license in inactive status does not apply to a railroad peace officer who also works as a licensed peace officer for a different law enforcement agency in Minnesota, but such an officer must no longer be designated a railroad peace officer. Except as noted in this section, the licenses of railroad peace officers are subject to the requirements, restrictions, and disciplinary procedures that apply to any other licensed peace officer.

Subd. 8. **Compensation; benefits; fees.** (a) A railroad peace officer shall be compensated by the railroad by which the officer is employed.

(b) A railroad peace officer is not entitled to receive any compensation, benefits, or other remuneration provided or required to be provided to other licensed peace officers by this state or any political subdivision or agency of this state.

(c) A railroad peace officer may attend any training course offered to peace officers of this state, provided that railroad peace officers pay reasonable tuition and costs.

Subd. 9. **Railroad liability.** A railroad company employing a railroad peace officer in this state is liable for all acts, errors, and omissions of a railroad peace officer occurring in the course and scope of the peace officer's employment by the railroad and shall indemnify its peace officers for civil damages, penalties, or fines claimed or levied against the officer according to section 181.970. Neither this state nor any political subdivision or agency of the state is liable for any act, error, or omission of a railroad peace officer.

Subd. 10. **Construction.** Nothing in this section shall be construed to limit or in any way restrict the rights, powers, or privileges granted to a peace officer in this state who is not a railroad peace officer.

Sec. 4. Minnesota Statutes 2022, section 626.05, subdivision 2, is amended to read:

Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17, means a person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation officer, agent of the Bureau of Criminal Apprehension, agent of the Division of Alcohol and Gambling Enforcement, peace officer of the Commerce Fraud Bureau, University of Minnesota peace officer, Metropolitan Transit police officer, Minnesota Department of Corrections Fugitive Apprehension Unit member, ~~or~~ State Patrol trooper as authorized by section 299D.03, or railroad peace officer as authorized by section 219.995 and United States Code, title 49, section 28101.

Sec. 5. **[626.223] ODOR OF CANNABIS; SEARCH PROHIBITED.**

A peace officer's perception of the odor of cannabis shall not serve as the sole basis to search a motor vehicle, or to search the driver, passengers, or any of the contents of a motor vehicle.

Sec. 6. Minnesota Statutes 2022, section 626.5534, is amended to read:

**626.5534 USE OF FORCE REPORTING; INDEPENDENT INVESTIGATIONS REQUIRED.**

Subdivision 1. **Report required.** A chief law enforcement officer must provide the information requested by the Federal Bureau of Investigation about each incident of law enforcement use of force resulting in serious bodily injury or death, as those terms are defined in the Federal Bureau of Investigation's reporting requirements, to the



superintendent of the Bureau of Criminal Apprehension. The superintendent shall adopt a reporting form for use by law enforcement agencies in making the report required under this section. The report must include for each incident all of the information requested by the Federal Bureau of Investigation.

Subd. 2. **Use of information collected.** A chief law enforcement officer must file the report under subdivision 1 once a month in the form required by the superintendent. The superintendent must summarize and analyze the information received and submit an annual written report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety. The superintendent shall submit the information to the Federal Bureau of Investigation.

Subd. 3. **Independent investigations required.** (a) The Use of Force Investigations Unit within the Bureau of Criminal Apprehension must investigate any officer-involved death as defined in section 299C.80, subdivision 1, paragraph (c), unless the subject of the investigation is a peace officer employed by the Bureau of Criminal Apprehension. Section 299C.80, subdivision 4, applies to an officer-involved death investigation of a peace officer employed by the Bureau of Criminal Apprehension.

(b) Law enforcement agencies must fully cooperate with and promptly respond to requests for information from the entity conducting an investigation mandated under paragraph (a).

(c) An entity that conducts an investigation under this subdivision must prepare a report detailing the entity's investigation and promptly deliver the report to the prosecutor for the county in which the incident occurred. If a prosecuting authority determines that there is no basis to file charges against a peace officer involved in the incident, the prosecutor must simultaneously publicly disclose the prosecutor's determination and all inactive investigative data in the report that are public under section 13.82, subdivision 7, or other applicable law. The prosecutor must cooperate with the entity that conducted the investigation in determining what data in the report must be publicly disclosed.

Sec. 7. Minnesota Statutes 2022, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, ~~and~~ Department of Commerce Fraud Bureau Unit officers, ~~and~~ the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry

a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state; ~~and~~

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101;

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

Sec. 8. Minnesota Statutes 2022, section 626.8435, subdivision 1, is amended to read:

Subdivision 1. **Establishment and membership.** ~~The Ensuring Police Excellence and Improving Community Relations Public Safety~~ Advisory Council is established under the Peace Officer Standards and Training Board. The council consists of the following 15 members:

- (1) the superintendent of the Bureau of Criminal Apprehension, or a designee;
- (2) the executive director of the Peace Officer Standards and Training Board, or a designee;
- (3) the executive director of the Minnesota Police and Peace Officers Association, or a designee;
- (4) the executive director of the Minnesota Sheriffs' Association, or a designee;
- (5) the executive director of the Minnesota Chiefs of Police Association, or a designee;

(6) six community members, of which:

(i) four members shall represent the community-specific boards established under sections 15.0145 and 3.922, reflecting one appointment made by each board;

(ii) one member shall be a mental health advocate and shall be appointed by the Minnesota chapter of the National Alliance on Mental Illness; and

(iii) one member shall be an advocate for victims and shall be appointed by Violence Free Minnesota; and

(7) four members appointed by the legislature, of which one shall be appointed by the speaker of the house, one by the house minority leader, one by the senate majority leader, and one by the senate minority leader.

The appointing authorities shall make their appointments by September 15, 2020, and shall ensure geographical balance when making appointments.

Sec. 9. **[626.8437] TRAINING IN EXCITED DELIRIUM AND SIMILAR TERMS PROHIBITED.**

**Subdivision 1. Definition.** For the purposes of this chapter, "excited delirium" means a description of a person's state of agitation, excitability, paranoia, extreme aggression, physical violence, and apparent immunity to pain that is not listed in the most current version of the Diagnostic and Statistical Manual of Mental Disorders, or for which there is insufficient scientific evidence or diagnostic criteria to be recognized as a medical condition. Excited delirium includes excited delirium syndrome, hyperactive delirium, agitated delirium, exhaustive mania, and similar terms.

**Subd. 2. No continuing education credits or tuition reimbursement.** (a) The board may not certify a continuing education course that includes training on the detection or use of the term excited delirium.

(b) The board may not grant continuing education credit to a peace officer for a course that includes training on the detection or use of the term excited delirium.

(c) The board may not reimburse a law enforcement agency or a peace officer for a course that includes training on the detection or use of the term excited delirium.

**Subd. 3. Training prohibited.** A law enforcement agency may not provide, directly or through a third party, to a peace officer any course that includes training on the detection or use of excited delirium. This section does not prohibit peace officer training in responding to and the proper care of a person in crisis.

Sec. 10. Minnesota Statutes 2022, section 626.8457, subdivision 3, is amended to read:

**Subd. 3. Report on alleged misconduct; database; report.** (a) A chief law enforcement officer shall report annually to the board summary data regarding the investigation and disposition of cases involving alleged misconduct, indicating the total number of investigations, the total number by each subject matter, the number dismissed as unfounded, and the number dismissed on grounds that the allegation was unsubstantiated.

(b) Beginning July 1, 2021, a chief law enforcement officer, in real time, must submit individual peace officer data classified as public data on individuals, as defined by section 13.02, subdivision 15, or private data on individuals, as defined by section 13.02, subdivision 12, and submitted using encrypted data that the board determines is necessary to:

(1) evaluate the effectiveness of statutorily required training;

(2) assist the ~~Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council in accomplishing the council's duties; and

(3) allow for the board, the ~~Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council, and the board's complaint investigation committee to identify patterns of behavior that suggest an officer is in crisis or is likely to violate a board-mandated model policy.

(c) The reporting obligation in paragraph (b) is ongoing. A chief law enforcement officer must update data within 30 days of final disposition of a complaint or investigation.

(d) Law enforcement agencies and political subdivisions are prohibited from entering into a confidentiality agreement that would prevent disclosure of the data identified in paragraph (b) to the board. Any such confidentiality agreement is void as to the requirements of this section.

(e) By February 1 of each year, the board shall prepare a report that contains summary data provided under paragraph (b). The board must post the report on its publicly accessible website and provide a copy to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy.

Sec. 11. **ANOKA COUNTY; JAIL AND CRIMINAL JUSTICE CENTER.**

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

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

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

ARTICLE 4  
MISCELLANEOUS CRIMINAL JUSTICE PROVISIONS

Section 1. **[3C.20] IDENTIFICATION, COLLECTION, AND PUBLICATION OF LAWS REGARDING COLLATERAL CONSEQUENCES.**

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

(b) "Collateral consequence" means a collateral sanction or a disqualification.

(c) "Collateral sanction" means a penalty, disability, or disadvantage, however denominated, imposed on an individual as a result of the individual's conviction of an offense that applies by operation of law whether or not the penalty, disability, or disadvantage is included in the judgment or sentence. Collateral sanction does not include imprisonment, probation, parole, supervised release, forfeiture, restitution, fine, assessment, or costs of prosecution.

(d) "Conviction" or "convicted" includes a child adjudicated delinquent.

(e) "Disqualification" means a penalty, disability, or disadvantage, however denominated, that an administrative agency, governmental official, or court in a civil proceeding is authorized but not required to impose on an individual on grounds relating to the individual's conviction of an offense.

(f) "Offense" means a felony, gross misdemeanor, misdemeanor, or adjudication as a delinquent under the laws of this state, another state, or the United States.

Subd. 2. **Revisor's duties.** (a) The revisor of statutes shall:

(1) identify or cause to be identified any provision in this state's constitution, statutes, and administrative rules that imposes a collateral sanction or authorizes the imposition of a disqualification, and any provision of law that may afford relief from a collateral consequence;

(2) in a timely manner after the effective date of this section prepare a collection of citations to, and the text or short descriptions of, the provisions identified under clause (1); and

(3) annually update the collection in a timely manner after the regular or last special session of the legislature in a calendar year.

In complying with clauses (1) and (2), the revisor may rely on the study of this state's collateral sanctions, disqualifications, and relief provisions prepared by the National Institute of Justice described in section 510 of the Court Security Improvement Act of 2007, Public Law 110-177.

(b) The revisor of statutes shall include the following statements or substantially similar language in a prominent manner at the beginning of the collection required under paragraph (a):

(1) This collection has not been enacted into law and does not have the force of law.

(2) An error or omission in this collection or in any reference work cited in this collection is not a reason for invalidating a plea, conviction, or sentence or for not imposing a collateral sanction or authorizing a disqualification.

(3) The laws of other jurisdictions and local governments that impose additional collateral sanctions and authorize additional disqualifications are not included in this collection.

(4) This collection does not include any law or other provision regarding the imposition of or relief from a collateral sanction or a disqualification enacted or adopted after (date the collection was prepared or last updated).

(c) The Office of the Revisor of Statutes shall publish the collection prepared and updated as required under paragraph (a). If available, the revisor of statutes shall publish as part of the collection the title and Internet address of the most recent collection of:

(1) the collateral consequences imposed by federal law; and

(2) any provision of federal law that may afford relief from a collateral consequence.

(d) The collection described under paragraph (c) must be available to the public on the Internet without charge in a reasonable time after the collection is created or updated.

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

Sec. 2. Minnesota Statutes 2022, section 260B.007, subdivision 6, is amended to read:

Subd. 6. **Delinquent child.** (a) Except as otherwise provided in paragraphs (b), ~~and~~ (c), and (d), "delinquent child" means a child:

(1) who has violated any state or local law, except as provided in section 260B.225, subdivision 1, and except for juvenile offenders as described in subdivisions 16 to 18;

(2) who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult;

(3) who has escaped from confinement to a state juvenile correctional facility after being committed to the custody of the commissioner of corrections; or

(4) who has escaped from confinement to a local juvenile correctional facility after being committed to the facility by the court.

(b) The term delinquent child does not include a child alleged to have committed murder in the first degree after becoming 16 years of age, but the term delinquent child does include a child alleged to have committed attempted murder in the first degree.

(c) The term delinquent child does not include a child alleged to have engaged in conduct which would, if committed by an adult, violate any federal, state, or local law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct.

(d) Effective August 1, 2026, and applied to acts committed on or after that date, the term delinquent child does not include a child alleged to have committed a delinquent act before becoming 13 years old.

Sec. 3. Minnesota Statutes 2022, section 260B.007, subdivision 16, is amended to read:

Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685, or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.

(b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a misdemeanor if committed by an adult.

(c) "Juvenile petty offense" does not include any of the following:

(1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;

(2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;

(3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

(4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender." The term juvenile petty offender does not include a child alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

(e) Effective August 1, 2026, and applied to acts committed on or after that date, notwithstanding any contrary provision in paragraphs (a) to (d), a juvenile petty offender does not include a child who is alleged to have committed a juvenile petty offense before reaching the age of 13 years.

**Sec. 4. [260B.009] DNA COLLECTION; PARENTAL CONSENT, COURT ORDER, OR WARRANT REQUIRED.**

(a) As used in this section, "DNA analysis" has the meaning given in section 299C.155.

(b) A biological specimen for the purpose of DNA analysis must not be taken from a minor without the consent of the minor's parent or custodian, a court order, or a warrant.

(c) A minor whose biological specimen is collected in violation of paragraph (b) may move the court to suppress the use, as evidence, of the results of the DNA analysis and for destruction of the biological specimen.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to biological specimens collected on or after that date.

Sec. 5. 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) has committed a delinquent act or a juvenile petty offense before becoming ten years old. This clause expires July 31, 2026;

(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; or

(17) effective August 1, 2026, has committed a delinquent act or a juvenile petty offense before becoming 13 years old.

Sec. 6. Minnesota Statutes 2022, section 260E.06, subdivision 1, is amended to read:

Subdivision 1. **Mandatory reporters.** (a) A person who knows or has reason to believe a child is being maltreated, as defined in section 260E.03, or has been maltreated within the preceding three years shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, county sheriff, tribal social services agency, or tribal police department if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, correctional supervision, probation and correctional services, or law enforcement; or



(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

(b) "Practice of social services" for the purposes of this subdivision includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(c) A corporation, school, nonprofit organization, religious organization, facility as defined in section 260E.03, subdivision 6, or similar entity must not have any policies, written or otherwise, that prevent or discourage a mandatory or voluntary reporter from reporting suspected or alleged maltreatment of a child in accordance with this section.

Sec. 7. Minnesota Statutes 2022, section 260E.08, is amended to read:

**260E.08 CRIMINAL PENALTIES FOR FAILURE TO REPORT; CIVIL PENALTY FOR MAKING FALSE REPORT.**

(a) A person mandated by section 260E.06, subdivision 1, to report who knows or has reason to believe that a child is maltreated, as defined in section 260E.03, or has been maltreated within the preceding three years, and fails to report is guilty of a misdemeanor.

(b) A person mandated by section 260E.06, subdivision 1, to report who knows or has reason to believe that two or more children not related to the offender have been maltreated, as defined in section 260E.03, by the same offender within the preceding ten years, and fails to report is guilty of a gross misdemeanor.

(c) A parent, guardian, or caretaker who knows or reasonably should know that the child's health is in serious danger and who fails to report as required by section 260E.06, subdivision 3, is guilty of a gross misdemeanor if the child suffers substantial or great bodily harm because of the lack of medical care. If the child dies because of the lack of medical care, the person is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both. The provision in section 609.378, subdivision 1, paragraph (a), clause (1), providing that a parent, guardian, or caretaker may, in good faith, select and depend on spiritual means or prayer for treatment or care of a child, does not exempt a parent, guardian, or caretaker from the duty to report under this chapter.

(d) Any person who knowingly or recklessly makes a false report under the provisions of this chapter shall be liable in a civil suit for any actual damages suffered by the person or persons so reported and for any punitive damages set by the court or jury, plus costs and reasonable attorney fees.

(e) A person who intentionally prevents or attempts to prevent a person mandated by section 260E.06, subdivision 1, to report under this chapter is guilty of a misdemeanor.

Sec. 8. Minnesota Statutes 2023 Supplement, section 299C.105, subdivision 1, is amended to read:

Subdivision 1. **Required collection of biological specimen for DNA testing.** (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken biological specimens for the purpose of DNA analysis as defined in section 299C.155, of the following:

~~(1) persons who have appeared in court and have had a judicial probable cause determination on a charge of committing,~~ or persons having been convicted of or attempting to commit, any of the following:

(i) murder under section 609.185, 609.19, or 609.195;

- (ii) manslaughter under section 609.20 or 609.205;
  - (iii) assault under section 609.221, 609.222, or 609.223;
  - (iv) robbery under section 609.24, aggravated robbery under section 609.245, or carjacking under section 609.247;
  - (v) kidnapping under section 609.25;
  - (vi) false imprisonment under section 609.255;
  - (vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;
  - (viii) incest under section 609.365;
  - (ix) burglary under section 609.582, subdivision 1; or
  - (x) indecent exposure under section 617.23, subdivision 3;
- (2) persons sentenced as patterned sex offenders under section 609.3455, subdivision 3a; or
- (3) ~~juveniles who have appeared in court and have had a judicial probable cause determination on a charge of committing,~~ or juveniles having been adjudicated delinquent for committing or attempting to commit; any of the following:
- (i) murder under section 609.185, 609.19, or 609.195;
  - (ii) manslaughter under section 609.20 or 609.205;
  - (iii) assault under section 609.221, 609.222, or 609.223;
  - (iv) robbery under section 609.24, aggravated robbery under section 609.245, or carjacking under section 609.247;
  - (v) kidnapping under section 609.25;
  - (vi) false imprisonment under section 609.255;
  - (vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;
  - (viii) incest under section 609.365;
  - (ix) burglary under section 609.582, subdivision 1; or
  - (x) indecent exposure under section 617.23, subdivision 3.
- (b) Unless the superintendent of the bureau requires a shorter period, within 72 hours the biological specimen required under paragraph (a) must be forwarded to the bureau in such a manner as may be prescribed by the superintendent.
- (c) Prosecutors, courts, and probation officers shall attempt to ensure that the biological specimen is taken on a person described in paragraph (a).

Sec. 9. Minnesota Statutes 2022, section 590.01, subdivision 4, is amended to read:

Subd. 4. **Time limit.** (a) No petition for postconviction relief may be filed more than two years after the later of:

(1) the entry of judgment of conviction or sentence if no direct appeal is filed; or

(2) an appellate court's disposition of petitioner's direct appeal.

(b) Notwithstanding paragraph (a), a court may hear a petition for postconviction relief if:

(1) the petitioner establishes that a physical disability or mental disease precluded a timely assertion of the claim;

(2) the petitioner alleges the existence of newly discovered evidence, including scientific evidence, that provides facts necessary to sustain one or more legally cognizable claims for postconviction relief, if such evidence could not have been ascertained by the exercise of due diligence by the petitioner or petitioner's attorney within the two-year time period for filing a postconviction petition, and the evidence is not cumulative to evidence presented at trial, and is not for impeachment purposes, and establishes by a clear and convincing standard that the petitioner is innocent of the offense or offenses for which the petitioner was convicted;

(3) the petitioner asserts a new interpretation of federal or state constitutional or statutory law by either the United States Supreme Court or a Minnesota appellate court and the petitioner establishes that this interpretation is retroactively applicable to the petitioner's case;

(4) the petition is brought pursuant to subdivision 3; or

(5) the petitioner establishes to the satisfaction of the court that the petition is not frivolous and is in the interests of justice.

(c) Any petition invoking an exception provided in paragraph (b) must be filed within two years of the date the claim arises.

Sec. 10. Minnesota Statutes 2022, section 590.03, is amended to read:

#### **590.03 PLEADINGS AND PRACTICE AFTER FILING A POSTCONVICTION PETITION.**

Within 20 ~~45~~ days after the filing of the petition pursuant to section 590.01 or within such time as the judge to whom the matter has been assigned may fix, the county attorney, or the attorney general, on behalf of the state, shall respond to the petition by answer or motion which shall be filed with the court administrator of district court and served on the petitioner if unrepresented or on the petitioner's attorney. No further pleadings are necessary except as the court may order. The court may at any time prior to its decision on the merits permit a withdrawal of the petition, may permit amendments thereto, and to the answer. The court shall liberally construe the petition and any amendments thereto and shall look to the substance thereof and waive any irregularities or defects in form.

Sec. 11. Minnesota Statutes 2022, section 604A.05, subdivision 1, is amended to read:

Subdivision 1. **Person seeking medical providing assistance; immunity from prosecution.** A person acting in good faith who seeks medical assistance for or acts in concert with a person seeking medical assistance for another person who is experiencing a drug-related overdose may not be charged or prosecuted for the possession, sharing, or use of a controlled substance under section 152.023, subdivision 2, ~~clauses (4) and (6); 152.024, or 152.025, or possession of drug paraphernalia.~~ A person qualifies for the immunities provided in this subdivision only if:

(1) the evidence for the charge or prosecution was obtained as a result of the person's seeking medical assistance for or acting in concert with a person seeking medical assistance for another person; and

(2) the person seeks medical assistance for or acts in concert with a person seeking medical assistance for another person who is in need of medical assistance for an immediate health or safety concern, provided that the person ~~who seeks the medical assistance is the first person to seek the assistance~~, provides a name and contact information, remains on the scene until assistance arrives or is provided, and cooperates with the authorities.

Good faith does not include seeking medical assistance during the course of the execution of an arrest warrant or search warrant or a lawful search.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to acts committed on or after that date.

Sec. 12. Minnesota Statutes 2023 Supplement, section 609.3455, subdivision 5, is amended to read:

Subd. 5. **Life sentences; minimum term of imprisonment.** At the time of sentencing under subdivision 3 or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release. If the offender was under 18 years of age at the time of the commission of the offense, the minimum term of imprisonment specified by the court shall not exceed the applicable minimum term of imprisonment described in section 244.05, subdivision 4b.

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

Sec. 13. Minnesota Statutes 2023 Supplement, section 609A.015, subdivision 3, as amended by Laws 2024, chapter 80, article 8, section 63, is amended to read:

Subd. 3. **Eligibility; certain criminal proceedings.** (a) A person is eligible for a grant of expungement relief if the person:

(1) was convicted of a qualifying offense;

(2) has not been convicted of a new offense, other than an offense that would be a petty misdemeanor, in Minnesota:

(i) during the applicable waiting period immediately following discharge of the disposition or sentence for the crime; or

(ii) during the applicable waiting period immediately preceding a subsequent review performed pursuant to subdivision 5, paragraph (a); and

(3) is not charged with an offense, other than an offense that would be a petty misdemeanor, in Minnesota at the time the person reaches the end of the applicable waiting period or at the time of a subsequent review.

(b) As used in this subdivision, "qualifying offense" means a conviction for:

(1) any petty misdemeanor offense other than a violation of a traffic regulation relating to the operation or parking of motor vehicles;

(2) any misdemeanor offense other than:

(i) section 169A.20 under the terms described in section 169A.27 (fourth-degree driving while impaired);

(ii) section 518B.01, subdivision 14 (violation of an order for protection);

- (iii) section 609.224 (assault in the fifth degree);
- (iv) section 609.2242 (domestic assault);
- (v) section 609.746 (interference with privacy);
- (vi) section 609.748 (violation of a harassment restraining order);
- (vii) section 609.78 (interference with emergency call);
- (viii) section 609.79 (obscene or harassing phone calls);
- (ix) section 617.23 (indecent exposure); or
- (x) section 629.75 (violation of domestic abuse no contact order);
- (3) any gross misdemeanor offense other than:

(i) section 169.13, subdivision 1, if the person causes great bodily harm or death to another (reckless driving resulting in great bodily harm or death);

- ~~(i)~~ (ii) section 169A.25 (second-degree driving while impaired);
- ~~(ii)~~ (iii) section 169A.26 (third-degree driving while impaired);
- ~~(iii)~~ (iv) section 518B.01, subdivision 14 (violation of an order for protection);
- ~~(iv)~~ (v) section 609.2113, subdivision 3 (criminal vehicular operation);
- ~~(v)~~ (vi) section 609.2231 (assault in the fourth degree);
- ~~(vi)~~ (vii) section 609.224 (assault in the fifth degree);
- ~~(vii)~~ (viii) section 609.2242 (domestic assault);
- ~~(viii)~~ (ix) section 609.233 (criminal neglect);
- ~~(ix)~~ (x) section 609.3451 (criminal sexual conduct in the fifth degree);
- ~~(x)~~ (xi) section 609.377 (malicious punishment of child);
- ~~(xi)~~ (xii) section 609.485 (escape from custody);
- ~~(xii)~~ (xiii) section 609.498 (tampering with witness);
- ~~(xiii)~~ (xiv) section 609.582, subdivision 4 (burglary in the fourth degree);
- ~~(xiv)~~ (xv) section 609.746 (interference with privacy);
- ~~(xv)~~ (xvi) section 609.748 (violation of a harassment restraining order);

- ~~(xvi)~~ (xvii) section 609.749 (harassment; stalking);
- ~~(xvii)~~ (xviii) section 609.78 (interference with emergency call);
- ~~(xviii)~~ (xix) section 617.23 (indecent exposure);
- ~~(xix)~~ (xx) section 617.261 (nonconsensual dissemination of private sexual images); or
- ~~(xx)~~ (xxi) section 629.75 (violation of domestic abuse no contact order); or
- (4) any felony offense listed in section 609A.02, subdivision 3, paragraph (b), other than:
- (i) section 152.023, subdivision 2 (possession of a controlled substance in the third degree);
- (ii) 152.024, subdivision 2 (possession of a controlled substance in the fourth degree);
- (iii) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness); ~~or~~
- (iv) section 609.582, subdivision 3, paragraph (a) (burglary in the third degree; other than trespass); or
- (v) section 609.746, subdivision 1, paragraph ~~(e)~~ (g) (interference with privacy; subsequent violation or minor victim).
- (c) As used in this subdivision, "applicable waiting period" means:
- (1) if the offense was a petty misdemeanor, two years since discharge of the sentence;
- (2) if the offense was a misdemeanor, two years since discharge of the sentence for the crime;
- (3) if the offense was a gross misdemeanor, three years since discharge of the sentence for the crime;
- (4) if the offense was a felony violation of section 152.025, four years since the discharge of the sentence for the crime; and
- (5) if the offense was any other felony, five years since discharge of the sentence for the crime.
- (d) Felony offenses deemed to be a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, remain ineligible for expungement under this section. Gross misdemeanor offenses ineligible for a grant of expungement under this section remain ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2.
- (e) The service requirements in section 609A.03, subdivision 8, do not apply to any expungements ordered under this subdivision.
- (f) An expungement order does not apply to records held by the commissioners of children, youth, and families; health; and human services.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings.** (a) A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

(1) all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner. For the purposes of this chapter, an action or proceeding is resolved in favor of the petitioner, if the petitioner received an order under section 590.11 determining that the petitioner is eligible for compensation based on exoneration;

(2) the petitioner has successfully completed the terms of a diversion program or stay of adjudication and has not been charged with a new crime for at least one year since completion of the diversion program or stay of adjudication;

(3) the petitioner was convicted of a petty misdemeanor or misdemeanor or the sentence imposed was within the limits provided by law for a misdemeanor and the petitioner has not been convicted of a new crime for at least two years since discharge of the sentence for the crime;

(4) the petitioner was convicted of a gross misdemeanor or the sentence imposed was within the limits provided by law for a gross misdemeanor and the petitioner has not been convicted of a new crime for at least three years since discharge of the sentence for the crime;

(5) the petitioner was convicted of a gross misdemeanor that is deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2, clause (2), and has not been convicted of a new crime for at least three years since discharge of the sentence for the crime;

(6) the petitioner was convicted of a felony violation of section 152.025 and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime;

(7) the petitioner was convicted of a felony that is deemed to be for a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, clause (2), and has not been convicted of a new crime for at least:

(i) four years since discharge of the sentence for the crime if the conviction was for an offense listed in paragraph (b); or

(ii) five years since discharge of the sentence for the crime if the conviction was for any other offense; or

(8) the petitioner was convicted of a felony violation of an offense listed in paragraph (b), and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime.

(b) Paragraph (a), clause ~~(7)~~ (8), applies to the following offenses:

(1) section 35.824 (altering livestock certificate);

(2) section 62A.41 (insurance regulations);

(3) section 86B.865, subdivision 1 (certification for title on watercraft);

(4) section 152.023, subdivision 2 (possession of a controlled substance in the third degree); 152.024, subdivision 2 (possession of a controlled substance in the fourth degree); 152.025 (controlled substance in the fifth degree); or 152.097 (sale of simulated controlled substance);

(5) section 168A.30, subdivision 1 (certificate of title false information); or 169.09, subdivision 14, paragraph (a), clause (2) (accident resulting in great bodily harm);

(6) chapter 201; 203B; or 204C (voting violations);

(7) section 228.45; 228.47; 228.49; 228.50; or 228.51 (false bill of lading);

(8) section 256.984 (false declaration in assistance application);

(9) section 296A.23, subdivision 2 (willful evasion of fuel tax);

(10) section 297D.09, subdivision 1 (failure to affix stamp on scheduled substances);

(11) section 297G.19 (liquor taxation); or 340A.701 (unlawful acts involving liquor);

(12) section 325F.743 (precious metal dealers); or 325F.755, subdivision 7 (prize notices and solicitations);

(13) section 346.155, subdivision 10 (failure to control regulated animal);

(14) section 349.2127; or 349.22 (gambling regulations);

(15) section 588.20 (contempt);

(16) section 609.27, subdivision 1, clauses (2) to (5) (coercion);

(17) section 609.31 (leaving state to evade establishment of paternity);

(18) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness);

(19) section 609.49 (failure to appear in court);

(20) section 609.52, subdivision 2, when sentenced pursuant to section 609.52, subdivision 3, clause (3)(a) (theft of \$5,000 or less) or 609.52, subdivision 3a, clause (1) (theft of \$1,000 or less with risk of bodily harm); or any other offense sentenced pursuant to section 609.52, subdivision 3, clause (3)(a);

(21) section 609.521 (possession of shoplifting gear);

(22) section 609.525 (bringing stolen goods into state);

(23) section 609.526, subdivision 2, clause (2) (metal dealer receiving stolen goods);

(24) section 609.527, subdivision 5b (possession or use of scanning device or reencoder); 609.528, subdivision 3, clause (3) (possession or sale of stolen or counterfeit check); or 609.529 (mail theft);

(25) section 609.53 (receiving stolen goods);

(26) section 609.535, subdivision 2a, paragraph (a), clause (1) (dishonored check over \$500);



- (27) section 609.54, clause (1) (embezzlement of public funds \$2,500 or less);
- (28) section 609.551 (rustling and livestock theft);
- (29) section 609.5641, subdivision 1a, paragraph (a) (wildfire arson);
- (30) section 609.576, subdivision 1, clause (3), item (iii) (negligent fires);
- (31) section 609.582, subdivision 3 (burglary in the third degree);
- (32) section 609.59 (possession of burglary or theft tools);
- (33) section 609.595, subdivision 1, clauses (3) to (5), and subdivision 1a, paragraph (a) (criminal damage to property);
- (34) section 609.597, subdivision 3, clause (3) (assaulting or harming police horse);
- (35) section 609.625 (aggravated forgery); 609.63 (forgery); 609.631, subdivision 4, clause (3)(a) (check forgery and offering forged check, \$2,500 or less); 609.635 (obtaining signature by false pretense); 609.64 (recording, filing forged instrument); or 609.645 (fraudulent statements);
- (36) section 609.65, clause (1) (false certification by notary); or 609.651, subdivision 4, paragraph (a) (lottery fraud);
- (37) section 609.652 (fraudulent driver's license and identification card);
- (38) section 609.66, subdivision 1a, paragraph (a) (discharge of firearm; silencer); or 609.66, subdivision 1b (furnishing firearm to minor);
- (39) section 609.662, subdivision 2, paragraph (b) (duty to render aid);
- (40) section 609.686, subdivision 2 (tampering with fire alarm);
- (41) section 609.746, subdivision 1, paragraph (g) (interference with privacy; subsequent violation or minor victim);
- (42) section 609.80, subdivision 2 (interference with cable communications system);
- (43) section 609.821, subdivision 2 (financial transaction card fraud);
- (44) section 609.822 (residential mortgage fraud);
- (45) section 609.825, subdivision 2 (bribery of participant or official in contest);
- (46) section 609.855, subdivision 2, paragraph (c), clause (1) (interference with transit operator);
- (47) section 609.88 (computer damage); or 609.89 (computer theft);
- (48) section 609.893, subdivision 2 (telecommunications and information services fraud);
- (49) section 609.894, subdivision 3 or 4 (cellular counterfeiting);
- (50) section 609.895, subdivision 3, paragraph (a) or (b) (counterfeited intellectual property);

(51) section 609.896 (movie pirating);

(52) section 624.7132, subdivision 15, paragraph (b) (transfer pistol to minor); 624.714, subdivision 1a (pistol without permit; subsequent violation); or 624.7141, subdivision 2 (transfer of pistol to ineligible person); or

(53) section 624.7181 (rifle or shotgun in public by minor).

**Sec. 15. [627.16] CRIMINAL SEXUAL CONDUCT; MENTALLY INCAPACITATED; ASLEEP OR NOT CONSCIOUS.**

A criminal action arising out of an incident of alleged criminal sexual conduct may be prosecuted either in the county where any element of the alleged sexual penetration or sexual contact was committed or the county where the complainant is found when the complainant was, at the time of the act:

(1) mentally incapacitated, as defined in section 609.341, subdivision 7; or

(2) physically helpless, as defined in section 609.341, subdivision 9, as the result of being asleep or not conscious.

**Sec. 16. [634.025] CONFESSION BY A JUVENILE; INADMISSIBLE WHEN DECEPTION IS USED.**

(a) Any admission, confession, or statement, whether written or oral, made by a person under 18 years of age during a custodial interrogation by a law enforcement agency official or their agent, is presumed to have been made involuntarily and is inadmissible in any proceeding if, during the interrogation, a law enforcement agency official or that person's agent:

(1) communicated information that an official or agent conducting or participating in the interrogation knew to be false if that information was about the existence or nature of evidence that a reasonable person would find to be material in assessing any suspected or alleged criminal conduct by the individual being interrogated; or

(2) communicated statements regarding leniency that the official or agent was not authorized to make.

(b) The presumption that any such admission, confession, or statement, or any portion thereof, is made involuntarily and is inadmissible may be overcome if the state proves by a preponderance of the evidence that the admission, confession, or statement, or the given portion thereof, was voluntary, reliable, and not induced by any act described in paragraph (a).

(c) The presumption of inadmissibility set forth in paragraph (a) shall not apply to any portion of an admission, confession, or statement that occurs prior to the first instance in which one of the acts described in paragraph (a) occurs.

(d) That an admission, confession, or statement is deemed inadmissible under this section shall have no effect on the admissibility of evidence obtained as a result of the admission, confession, or statement if the evidence would have been discovered through independent lawful means or if knowledge of the evidence was acquired through an independent source.

**EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to an admission, confession, or statement, whether written or oral, made on or after that date.

Sec. 17. Minnesota Statutes 2023 Supplement, section 638.12, subdivision 2, is amended to read:

Subd. 2. **Pardon eligibility; waiver.** (a) Except as provided in paragraphs (b) and (c), an individual convicted of a crime in a court of this state may apply for a pardon of the individual's conviction on or after five years from the sentence's expiration or discharge date.

(b) An individual convicted before August 1, 2023, of a violation of section 609.19, subdivision 1, clause (1), under the theory of liability for crimes of another may apply for a pardon upon the sentence's expiration or discharge date if the individual:

(1) was charged with a violation of section 609.185, paragraph (a), clause (3), and:

(i) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(ii) did not cause the death of a human being; and

(iii) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(2) was charged with a violation of section 609.19, subdivision 2, and:

(i) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(ii) did not cause the death of a human being; and

(iii) was not a major participant, as defined in section 609.05, subdivision 2a, paragraph (c), in the underlying felony ~~and~~ or did not act with extreme indifference to human life.

(c) An individual may request the board to waive the waiting period if there is a showing of unusual circumstances and special need.

(d) The commission must review a waiver request and recommend to the board whether to grant the request. When considering a waiver request, the commission is exempt from the meeting requirements under section 638.14 and chapter 13D.

(e) The board must grant a waiver request unless the governor or a board majority opposes the waiver.

Sec. 18. Minnesota Statutes 2023 Supplement, section 638.15, subdivision 1, is amended to read:

Subdivision 1. **Grounds for recommending clemency.** (a) When recommending whether to grant clemency, the commission must consider any factors that the commission deems appropriate, including but not limited to:

(1) the nature, seriousness, and circumstances of the applicant's crime; the applicant's age at the time of the crime; and the time that has elapsed between the crime and the application;

(2) the successful completion or revocation of previous probation, parole, supervised release, or conditional release;

(3) the number, nature, and circumstances of the applicant's other criminal convictions;

(4) the extent to which the applicant has demonstrated rehabilitation through postconviction conduct, character, and reputation;

(5) the extent to which the applicant has accepted responsibility, demonstrated remorse, and made restitution to victims;

(6) whether the sentence is clearly excessive in light of the applicant's crime and criminal history and any sentence received by an accomplice and with due regard given to:

(i) any plea agreement;

(ii) the sentencing judge's views; and

(iii) the sentencing ranges established by law;

(7) whether the applicant was convicted before August 1, 2023, of a violation of section 609.19, subdivision 1, clause (1), under the theory of liability for crimes of another and, if so, whether the applicant:

(i) was charged with a violation of section 609.185, paragraph (a), clause (3), and:

(A) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(B) did not cause the death of a human being; and

(C) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(ii) was charged with a violation of section 609.19, subdivision 2, and:

(A) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(B) did not cause the death of a human being; and

(C) was not a major participant, as defined in section 609.05, subdivision 2a, paragraph (c), in the underlying felony ~~and~~ or did not act with extreme indifference to human life;

(8) whether the applicant's age or medical status indicates that it is in the best interest of society that the applicant receive clemency;

(9) the applicant's asserted need for clemency, including family needs and barriers to housing or employment created by the conviction;

(10) for an applicant under the department's custody, the adequacy of the applicant's reentry plan;

(11) the amount of time already served by the applicant and the availability of other forms of judicial or administrative relief;

(12) the extent to which there is credible evidence indicating that the applicant is or may be innocent of the crime for which they were convicted; and

(13) if provided by the applicant, the applicant's demographic information, including race, ethnicity, gender, disability status, and age.

(b) Unless an applicant knowingly omitted past criminal convictions on the application, the commission or the board must not prejudice an applicant for failing to identify past criminal convictions.

Sec. 19. Laws 2023, chapter 52, article 4, section 24, subdivision 3, is amended to read:

Subd. 3. **Notification.** (a) By ~~December~~ September 1, ~~2023~~ 2024, the commissioner of corrections shall notify individuals convicted for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), of the right to file a preliminary application for relief if:

(1) the person was convicted for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), and the person:

(i) did not cause the death of a human being; and

(ii) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(2) the person was convicted for a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), and the person:

(i) did not cause the death of a human being; and

(ii) was not a major participant in the underlying felony ~~and~~ or did not act with extreme indifference to human life.

(b) The notice shall include the address of the Ramsey County District Court court administration.

(c) The commissioner of corrections may coordinate with the judicial branch to establish a standardized notification form.

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

Sec. 20. Laws 2023, chapter 52, article 4, section 24, subdivision 7, is amended to read:

Subd. 7. **Determination; order; resentencing.** (a) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being.

(b) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) was not a major participant in the underlying felony ~~and~~ or did not act with extreme indifference to human life.

(c) If the court determines that the petitioner does not qualify for relief, the court shall issue an order denying the petition.

(d) If the court determines that the petitioner is entitled to relief, the court shall issue an order vacating the conviction for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), and ~~either~~:

(1) resentence the petitioner for the most serious remaining offense for which the petitioner was convicted; ~~or~~

(2) enter a conviction and impose a sentence for any other predicate felony arising out of the course of conduct that served as the factual basis for the conviction vacated by the court; or

(3) enter a conviction and impose a sentence for any lesser included offense as described in Minnesota Statutes, section 631.14.

(e) If the court intends to enter a conviction and impose a sentence for a lesser included offense, the court must hold a hearing to determine the appropriate offense.

~~(d)~~ (f) If the court proceeds under paragraph (d), clause (1) or (2), the new sentence announced by the court under this section must be for the most serious predicate felony unless the most serious remaining offense for which the petitioner was convicted is that offense or a more serious offense.

~~(e)~~ (g) If, pursuant to paragraph ~~(e)~~ (d), the court either resentsences a petitioner or imposes a sentence, the court shall also resentence the petitioner for any other offense if the sentence was announced by a district court of the same county, the sentence was either ordered to be served consecutively to the vacated conviction or the criminal history calculation for that sentence included the vacated sentence, and the changes made pursuant to paragraph ~~(e)~~ (d) would have resulted in a different criminal history score being used at the time of sentencing.

~~(f)~~ (h) The court shall state in writing or on the record the reasons for its decision on the petition.

~~(g)~~ (i) If the court intends to resentence a petitioner or impose a sentence on a petitioner, the court must hold the hearing at a time that allows any victim an opportunity to submit a statement consistent with Minnesota Statutes, section 611A.038. The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing and the right to submit or make a statement. A sentence imposed under this subdivision shall not increase the petitioner's total period of confinement or, if the petitioner was serving a stayed sentence, increase the period of supervision. The court may increase the period of confinement for a sentence that was ordered to be served consecutively to the vacated conviction based on a change in the appropriate criminal history score provided the court does not increase the petitioner's total period of confinement. A person resented under this paragraph is entitled to credit for time served in connection with the vacated offense.

~~(h)~~ (j) Relief granted under this section shall not be treated as an exoneration for purposes of the Incarceration and Exoneration Remedies Act.

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

Sec. 21. **ADDITIONAL REQUIREMENTS.**

(a) An individual who was denied relief under Laws 2023, chapter 52, article 4, section 24, for a conviction under Minnesota Statutes, section 609.19, subdivision 2, clause (1), due to a determination that the individual was not a major participant in the underlying felony and did not act with extreme indifference to human life, and who is now eligible for relief under the changes made in this act, may reapply for relief.

(b) By September 1, 2024, the commissioner of corrections shall notify individuals to whom notice was previously provided under Laws 2023, chapter 52, article 4, section 24, subdivision 3, paragraph (a), clause (2), about the changes to law made in this act. The notice must inform the individual that the individual may apply or reapply for relief under Laws 2023, chapter 52, article 4, section 24, if eligible based on the changes made in this act.

(c) Notwithstanding Laws 2023, chapter 52, article 4, section 24, an individual authorized to apply or reapply for relief under paragraph (a) or (b) may do so anytime before October 1, 2026.

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

Sec. 22. **REPEALER.**

(a) Minnesota Statutes 2022, sections 609B.050; 609B.100; 609B.101; 609B.102; 609B.103; 609B.104; 609B.106; 609B.107; 609B.108; 609B.109; 609B.110; 609B.111; 609B.112; 609B.113; 609B.120; 609B.121; 609B.122; 609B.123; 609B.124; 609B.125; 609B.126; 609B.127; 609B.128; 609B.129; 609B.130; 609B.132; 609B.133; 609B.134; 609B.135; 609B.136; 609B.139; 609B.140; 609B.141; 609B.142; 609B.143; 609B.144; 609B.146; 609B.147; 609B.148; 609B.149; 609B.1495; 609B.150; 609B.151; 609B.152; 609B.153; 609B.155; 609B.157; 609B.158; 609B.159; 609B.160; 609B.162; 609B.164; 609B.1641; 609B.1645; 609B.165; 609B.168; 609B.170; 609B.171; 609B.172; 609B.173; 609B.174; 609B.175; 609B.176; 609B.177; 609B.179; 609B.180; 609B.181; 609B.183; 609B.184; 609B.185; 609B.187; 609B.188; 609B.189; 609B.191; 609B.192; 609B.193; 609B.194; 609B.195; 609B.200; 609B.201; 609B.203; 609B.205; 609B.206; 609B.216; 609B.231; 609B.235; 609B.237; 609B.241; 609B.245; 609B.255; 609B.262; 609B.263; 609B.265; 609B.271; 609B.273; 609B.275; 609B.277; 609B.301; 609B.310; 609B.311; 609B.312; 609B.320; 609B.321; 609B.330; 609B.331; 609B.332; 609B.333; 609B.340; 609B.341; 609B.342; 609B.343; 609B.344; 609B.345; 609B.400; 609B.405; 609B.410; 609B.415; 609B.425, subdivision 1; 609B.430; 609B.435, subdivisions 1 and 3; 609B.445; 609B.450; 609B.455; 609B.460; 609B.465; 609B.500; 609B.505; 609B.510; 609B.515; 609B.518; 609B.520; 609B.525; 609B.530; 609B.535; 609B.540; 609B.545; 609B.600; 609B.610; 609B.611; 609B.612; 609B.613; 609B.614; 609B.615; 609B.700; 609B.710; 609B.720; 609B.721; 609B.722; 609B.723; 609B.724; and 609B.725, are repealed.

(b) Minnesota Statutes 2023 Supplement, sections 609B.161; 609B.425, subdivision 2; and 609B.435, subdivision 2, are repealed.

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

ARTICLE 5  
PUBLIC SAFETY

Section 1. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 23a. **Search warrant.** As used in this section, "search warrant" means an order in writing that is:

(1) in the name of this state or, if the person is located in an adjacent state, in the name of the adjacent state;

(2) signed by a court other than a court exercising probate jurisdiction; and

(3) obtained pursuant to the requirements in sections 626.04 to 626.18 or conforming statutes in the adjacent state.

Sec. 2. Minnesota Statutes 2022, section 169A.51, subdivision 3, is amended to read:

Subd. 3. **Blood or urine tests; search warrant required.** (a) Notwithstanding any contrary provisions in sections 169A.51 to 169A.53, a blood or urine test may be conducted only pursuant to a search warrant ~~under sections 626.04 to 626.18~~, or a judicially recognized exception to the search warrant requirement. In addition, blood and urine tests may be conducted only as provided in sections 169A.51 to 169A.53 and 171.177.

(b) When, under the provisions of section 169A.20, 169A.51, or 171.177, a search warrant is required for a blood or urine test, that requirement is met if a judicially recognized exception to the warrant requirement is applicable.

Sec. 3. Minnesota Statutes 2023 Supplement, section 169A.51, subdivision 4, is amended to read:

Subd. 4. **Requirement of urine or blood test.** A blood or urine test may be required pursuant to a search warrant ~~under sections 626.04 to 626.18~~ even after a breath test has been administered if there is probable cause to believe that:

(1) there is impairment by a controlled substance; an intoxicating substance; or cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols that is not subject to testing by a breath test;

(2) a controlled substance listed in Schedule I or II or its metabolite, other than cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body; or

(3) the person is unconscious or incapacitated to the point that the peace officer providing a breath test advisory, administering a breath test, or serving the search warrant has a good-faith belief that the person is mentally or physically unable to comprehend the breath test advisory or otherwise voluntarily submit to chemical tests.

Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered. This limitation does not apply to an unconscious person under the circumstances described in clause (3).

Sec. 4. Minnesota Statutes 2022, section 171.177, subdivision 1, is amended to read:

Subdivision 1. **Search warrant-required testing advisory.** At the time a blood or urine test is directed pursuant to a search warrant ~~under sections 626.04 to 626.18~~, the person must be informed that refusal to submit to a blood or urine test is a crime.

Sec. 5. Minnesota Statutes 2022, section 171.177, subdivision 3, is amended to read:

Subd. 3. **License revocation pursuant to search warrant.** After executing a search warrant ~~under sections 626.04 to 626.18~~ for the collection of a blood or urine sample based upon probable cause of a violation of section 169A.20, the peace officer acting under sections 626.13 to 626.17 shall certify to the commissioner of public safety:

(1) when a person refuses to comply with the execution of the search warrant; or



(2) if a person submits to the test and the test results indicate:

(i) an alcohol concentration of 0.08 or more;

(ii) an alcohol concentration of 0.04 or more, if the person was driving, operating, or in physical control of a commercial motor vehicle at the time of the violation; or

(iii) the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols.

Sec. 6. Minnesota Statutes 2022, section 171.177, subdivision 4, is amended to read:

Subd. 4. **Test refusal; license revocation.** (a) Upon certification under subdivision 3 that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person refused to comply with the execution of the search warrant ~~under sections 626.04 to 626.18~~, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege. The commissioner shall revoke the license, permit, or nonresident operating privilege:

(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;

(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;

(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than two years;

(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;

(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or

(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.

(b) When a person who had been driving, operating, or in physical control of a commercial motor vehicle refuses to comply with the search warrant and permit testing, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 7. Minnesota Statutes 2022, section 171.177, subdivision 5, is amended to read:

Subd. 5. **Test failure; license revocation.** (a) Upon certification under subdivision 3; pursuant to a search warrant ~~under sections 626.04 to 626.18~~, that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege:

(1) for a period of 90 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;

(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;

(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than one year or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;

(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;

(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or

(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165.

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 8. Minnesota Statutes 2022, section 171.177, subdivision 8, is amended to read:

Subd. 8. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test pursuant to a search warrant ~~under sections 626.04 to 626.18~~ shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test, the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle pursuant to a search warrant ~~under sections 626.04 to 626.18~~ shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test or on a person who submits to a test, the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card by clipping the upper corner of the card in such a way that no identifying information including the photo is destroyed, and immediately return the card to the person;

(2) issue the person a temporary license effective for only seven days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 4 or 5.

Sec. 9. Minnesota Statutes 2022, section 171.177, subdivision 12, is amended to read:

Subd. 12. **Judicial hearing; issues, order, appeal.** (a) A judicial review hearing under this section must be before a district judge in any county in the judicial district where the alleged offense occurred. The hearing is to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169A.20, if any. The hearing must be recorded. The commissioner shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved. The hearing must be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the locations within the judicial district where terms of district court are held.

(b) The scope of the hearing is limited to the issues in clauses (1) to (13):

(1) Did the peace officer have probable cause to believe the person was driving, operating, or in physical control of a motor vehicle or commercial motor vehicle in violation of section 169A.20?

(2) Was the person lawfully placed under arrest for violation of section 169A.20?

(3) Was the person involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death?

(4) Did a licensed peace officer apply for a search warrant in accordance with the requirements set forth in sections 626.04 to 626.18 or conforming statutes in an adjacent state?

(5) Did a neutral magistrate review the application for a search warrant and determine there was probable cause to believe that the person was driving, operating, or in physical control of a motor vehicle or commercial motor vehicle in violation of section 169A.20?

(6) Was the search warrant and the process by which it was obtained valid?

(7) At the time of directing the person to take the test, did the peace officer inform the person that refusing the test was a crime as required by subdivision 1?

(8) Did the person refuse to permit the test?

(9) If a test was taken by a person driving, operating, or in physical control of a motor vehicle, did the test results indicate at the time of testing:

(i) an alcohol concentration of 0.08 or more; or

(ii) the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols?

(10) If a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle, did the test results indicate an alcohol concentration of 0.04 or more at the time of testing?

(11) Was the testing method used valid and reliable and were the test results accurately evaluated?

(12) Did the person prove the defense of necessity?

(13) Did the person prove the defense of controlled substance use in accordance with a prescription?

(c) Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses, and certificates are admissible as substantive evidence.

(d) The court shall order that the revocation or disqualification be either rescinded or sustained and forward the order to the commissioner. The court shall file its order within 14 days following the hearing. If the revocation or disqualification is sustained, the court shall also forward the person's driver's license or permit to the commissioner for further action by the commissioner if the license or permit is not already in the commissioner's possession.

(e) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Appellate Procedure.

(f) The civil hearing under this section shall not give rise to an estoppel on any issues arising from the same set of circumstances in any criminal prosecution.

(g) It is an affirmative defense for the petitioner to prove a necessity.

(h) It is an affirmative defense to the presence of a Schedule I or II controlled substance that the person used the controlled substance according to the terms of a prescription issued for the person according to sections 152.11 and 152.12, unless the court finds by a preponderance of the evidence that the use of the controlled substance impaired the person's ability to operate a motor vehicle.

Sec. 10. Minnesota Statutes 2023 Supplement, section 299A.49, subdivision 8, is amended to read:

Subd. 8. **State emergency response asset.** "State emergency response asset" means any team or teams defined under this section that has entered into a contractual agreement with the State Fire Marshal Division.

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 299A.49, subdivision 9, is amended to read:

Subd. 9. **Urban search and rescue team (USAR) (US&R).** "Urban search and rescue team" or "USAR" "US&R" means a team trained and equipped to respond to and carry out rescue and recovery operations at the scene of a collapsed structure. A USAR team may include strategically located fire department assets combined under one joint powers agreement multihazard discipline that involves the location, extrication, and initial medical stabilization of victims trapped or missing because of a man-made or natural disaster.

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

Sec. 12. Minnesota Statutes 2022, section 299A.73, subdivision 4, is amended to read:

Subd. 4. **Administrative costs.** The commissioner may use up to ~~two~~ ten percent of the biennial appropriation for grants-in-aid to the youth intervention program to pay costs incurred by the department in administering the youth intervention program.

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

Sec. 13. Minnesota Statutes 2022, section 326.338, subdivision 4, is amended to read:

Subd. 4. **Protective agent.** A person who for a fee, reward, or other valuable consideration undertakes any of the following acts is considered to be engaged in the business of protective agent:

(1) providing guards, private patrol, or other security personnel to protect persons or their property or to prevent the theft, unlawful taking of goods, merchandise, or money, or to prevent the misappropriation or concealment of goods, merchandise, money, or other valuable things, or to procure the return of those things;

(2) physically responding to any alarm signal device, burglar alarm, television camera, still camera, or a mechanical or electronic device installed or used to prevent or detect burglary, theft, shoplifting, pilferage, losses, or other security measures;

(3) providing armored car services for the protection of persons or property;

(4) controlling motor traffic on public streets, roads, and highways for the purpose of escorting a funeral procession and oversized loads; ~~or~~

(5) providing management and control of crowds for the purpose of safety and protection; ~~or~~

(6) providing guards or other security personnel to transport prisoners or any other person arrested on a warrant, except that this does not apply to the transport or escort of offenders by staff of the Department of Corrections; the transport of a person by the sheriff of a county to the appropriate adult or juvenile correctional facility as designated by the commissioner of corrections or to and from court in connection with postconviction, habeas corpus, or intrastate mandatory disposition of detainees proceedings; the transfer of a person by emergency medical services personnel; or the transfer of a person by a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

A person covered by this subdivision may perform the traffic-control duties in clause (4) in place of a police officer when a special permit is required, provided that the protective agent is first-aid qualified.

Sec. 14. Minnesota Statutes 2023 Supplement, section 326.3387, subdivision 1, is amended to read:

Subdivision 1. **Basis for action.** (a) The board may revoke or suspend or refuse to issue or reissue a private detective or protective agent license if:

(1) the license holder violates a provision of sections 326.32 to 326.339 or a rule adopted under those sections;

(2) the license holder has engaged in fraud, deceit, or misrepresentation while in the business of private detective or protective agent;

(3) the license holder has made a false statement in an application submitted to the board or in a document required to be submitted to the board;

(4) the license holder violates an order of the board; or

(5) the individual or entity previously operated without a license.

(b) The board must revoke or suspend or refuse to issue or reissue a protective agent license if the license holder provides guards or other security personnel to transport prisoners or any other person arrested on a warrant and the board determines that the license holder or any employee or agent of the license holder committed an act in any place that, if committed in Minnesota, would constitute criminal sexual conduct against a person being transported or committed an act in any place that involved the unreasonable use of force on a person being transported.

Sec. 15. Minnesota Statutes 2022, section 326.3388, is amended to read:

**326.3388 ADMINISTRATIVE PENALTIES.**

The board shall, by rule, establish a graduated schedule of administrative penalties for violations of sections 326.32 to 326.339 or the board's rules. The schedule must include minimum and maximum penalties for each violation and be based on and reflect the culpability, frequency, and severity of the violator's actions. The minimum penalty for an act described in section 326.3387, subdivision 1, paragraph (b), must be \$10,000 for each act. The board may impose a penalty from the schedule on a license holder for a violation of sections 326.32 to 326.339 or the rules of the board. The penalty is in addition to any criminal penalty imposed for the same violation. Administrative penalties imposed by the board must be paid to the general fund.

Sec. 16. **MOTOR VEHICLE REGISTRATION COMPLIANCE WORKING GROUP.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Working group" means the motor vehicle registration compliance working group required under this section.

Subd. 2. Establishment. The commissioner of public safety must convene a working group by September 1, 2024, to examine motor vehicle registration and registration tax collection and compliance.

Subd. 3. Membership. (a) In addition to appropriate representatives of the Department of Public Safety, the commissioner must solicit the following individuals to participate in the working group:

(1) one member representing the Department of Transportation, appointed by the commissioner of transportation;

(2) one member representing the Department of Revenue, appointed by the commissioner of revenue;

(3) one member representing Tribal governments;

(4) one member appointed by the Center for Transportation Studies at the University of Minnesota;

(5) one member appointed by the Minnesota Chiefs of Police Association;

(6) one member appointed by the Minnesota Sheriffs' Association;

(7) one member appointed by the Minnesota Peace and Police Officers Association;

(8) one member appointed by the Association of Minnesota Counties;

(9) one member appointed by the League of Minnesota Cities;

(10) one member appointed by the Minnesota Deputy Registrars Association;

(11) one member appointed by the Deputy Registrar Business Owners Association;

(12) one member appointed by the Minnesota Automobile Dealers Association;

(13) one member appointed by AAA Minnesota; and

(14) one member appointed by the Minnesota Transportation Alliance.

(b) The commissioner may solicit participation in the working group by additional individuals if the commissioner determines that particular expertise or perspective would be beneficial to the working group in the performance of its duties.

Subd. 4. **Appointment; vacancy.** Members of the working group serve at the pleasure of the appointing authority or until the working group expires. Vacancies must be filled by the appointing authority.

Subd. 5. **Duties.** (a) At a minimum, the working group must:

(1) identify and evaluate potential methods for enforcement of motor vehicle registration and registration tax payment requirements that would replace enforcement through the use of criminal penalties, including but not limited to:

(i) alignment with individual income taxes;

(ii) revenue recapture; and

(iii) retention of license plates with a vehicle following a change of vehicle ownership; and

(2) develop recommendations, a legislative proposal, or both, related to motor vehicle registration and registration tax compliance through methods other than the use of criminal penalties.

(b) In evaluating methods under paragraph (a), clause (2), the working group must use criteria that include effectiveness, administrative efficiency, equity, burdens on motor vehicle owners, and substantial elimination of vehicle registration enforcement through traffic stops performed by peace officers.

Subd. 6. **Administration.** (a) The commissioner must provide administrative support to the working group. Upon request of the working group, the commissioners of transportation and revenue must provide relevant technical support.

(b) Members of the working group are not eligible for compensation.

(c) The working group is subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

(d) The working group is subject to the Minnesota Data Practices Act under Minnesota Statutes, chapter 13.

Subd. 7. **Report.** By February 15, 2025, the commissioner must submit a report on motor vehicle registration compliance to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation and public safety. At a minimum, the report must summarize the activities of the working group and provide information related to each of the duties specified in subdivision 3.

Subd. 8. **Expiration.** The working group expires June 30, 2025.

Sec. 17. **TASK FORCE ON HOLISTIC AND EFFECTIVE RESPONSES TO ILLICIT DRUG USE.**

Subdivision 1. **Establishment.** The Task Force on Holistic and Effective Responses to Illicit Drug Use is established to review the reports on approaches to address illicit drug use in Minnesota prepared and submitted pursuant to Laws 2023, chapter 52, article 2, section 3, subdivision 8, paragraph (v); develop a phased timeline for implementation of policy changes; and make policy and funding recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the state public defender or a designee;

(2) two county attorneys, one from a county in the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and one from a county outside the metropolitan area, appointed by the Minnesota County Attorneys Association;

(3) one peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Sheriffs' Association;

(4) one peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Police and Peace Officers Association;

(5) two medical professionals, one with expertise in substance use disorder treatment and one with experience working with harm reduction providers, appointed by the Minnesota Medical Association;

(6) one member appointed by the Minnesota Association of Criminal Defense Lawyers;

(7) one member representing a Tribal government, appointed by the Indian Affairs Council;

(8) one member with knowledge of expungement law, representing criminal legal reform organizations;

(9) one academic researcher specializing in drug use or drug policy;

(10) one member with lived experience with drug use;

(11) one member who resides in a community that has been disproportionately impacted by drug sentencing laws;

(12) one member representing an organization with knowledge of youth intervention services and the juvenile justice system; and

(13) one member, appointed by the Minnesota Association of County Social Service Administrators, with experience administering supportive social services, including mental health, substance use disorder, housing, and other related services.

(b) The members identified in paragraph (a), clauses (8) to (12), must be appointed by the governor.

(c) Appointments must be made no later than August 31, 2024.

(d) Members of the task force serve without compensation.

(e) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

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

(1) review and analyze the research and recommendations released in reports prepared by Rise Research pursuant to Laws 2023, chapter 52, article 2, section 3, subdivision 8, paragraph (v);



(2) collect, review, and analyze other relevant information and data;

(3) gather and consider input and feedback from the public, including but not limited to feedback from individuals with lived experience involving the use of illicit drugs and family members of persons with that lived experience; and

(4) make recommendations, including specific plans and timeline goals, to implement and fund policies addressing illicit drug use, with the goal of reducing and, where possible, preventing harm to users of illicit drugs and promoting the health and safety of individuals and communities.

(b) The task force may examine other issues relevant to the duties specified in this subdivision.

**Subd. 4. Officers; meetings.** (a) The director of the Office of Addiction and Recovery shall convene the first meeting of the task force by September 30, 2024.

(b) At the first meeting, the members of the task force shall elect a chair and vice-chair, and may elect other officers as the members deem necessary.

(c) The task force shall meet monthly or as determined by the chair. The task force shall meet a sufficient amount of time to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

**Subd. 5. Staff; meeting space.** The Office of Addiction and Recovery shall provide support staff, office and meeting space, and administrative services for the task force.

**Subd. 6. Report.** The task force must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, health, and human services on the work, findings, and recommendations of the task force. The recommendations of the task force must include proposed legislation and implementation plans. The task force must submit the report by February 15, 2025. The task force may submit additional information to the legislature.

**Subd. 7. Expiration.** The task force expires on June 30, 2025.

**Sec. 18. TASK FORCE ON DOMESTIC VIOLENCE AND FIREARM SURRENDER.**

**Subdivision 1. Establishment.** The Task Force on Domestic Violence and Firearm Surrender is established to review existing laws that require the surrender of firearms by individuals subject to an order for protection, subject to an extreme risk protection order, or convicted of domestic assault, harassment, or stalking; identify best practices to ensure the surrender of firearms that prioritize the safety of peace officers, victims, and others; identify policies and procedures that reduce the danger to peace officers and other emergency responders called to an incident involving domestic violence; and make policy and funding recommendations to the legislature.

**Subd. 2. Membership.** (a) The task force consists of the following members:

(1) the commissioner of public safety, or a designee;

(2) the director of the Missing and Murdered Indigenous Relatives Office, or a designee;

(3) the chief justice of the supreme court, or a designee;

(4) the state public defender, or a designee;

(5) a county attorney appointed by the Minnesota County Attorneys Association;

(6) an individual appointed by the Indian Affairs Council;

(7) a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Chiefs of Police Association;

(8) a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Sheriffs' Association;

(9) an individual appointed by Violence Free Minnesota;

(10) an individual appointed by Minnesota Coalition Against Sexual Assault; and

(11) an individual appointed by the Gun Violence Prevention Law Clinic at the University of Minnesota Law School.

(b) Appointments must be made no later than September 1, 2024.

(c) Members shall serve without compensation.

(d) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Officers; meetings.** (a) The commissioner of public safety shall convene the first meeting of the task force no later than September 15, 2024, and shall provide meeting space and administrative assistance for the task force to conduct its work.

(b) At its first meeting, the task force must elect a chair and vice-chair from among its members. The task force may elect other officers as necessary.

(c) The task force shall meet at least monthly or upon the call of the chair. The task force shall meet a sufficient amount of time to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties.** (a) The task force shall, at a minimum:

(1) examine existing laws requiring the surrender of firearms by individuals subject to orders for protection, convicted of domestic assault, and convicted of harassment or stalking;

(2) examine existing policies and procedures, if any, used in Minnesota to enforce orders requiring the surrender of firearms by individuals subject to an order for protection or convicted of domestic assault, harassment, or stalking;

(3) examine laws, policies, and procedures in other states related to enforcing orders requiring the surrender of firearms;

(4) identify barriers to enforcing orders in Minnesota that require the surrender of firearms by individuals subject to an order for protection or convicted of domestic assault, harassment, or stalking;

(5) identify best practices for enforcing orders requiring the surrender of firearms, prioritizing practices that protect the safety of peace officers, prosecutors, judges and court staff, victims, and others;

(6) identify policies and procedures that reduce the danger to peace officers and other emergency responders called to an incident involving domestic violence; and

(7) make policy and funding recommendations to the legislature.

(b) At its discretion, the task force may examine other issues consistent with this section.

Subd. 5. **Recommendations; report.** The task force may issue recommendations and reports at any time during its existence. By February 1, 2025, the task force must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy on the findings and recommendations of the task force.

Subd. 6. **Expiration.** The task force expires the day after submitting its report under subdivision 5.

Sec. 19. **GRAND PORTAGE BAND OF LAKE SUPERIOR CHIPPEWA TRIBE; COAST GUARD SERVICES; GRANT PURPOSES EXPANSION.**

In addition to the uses specified in Laws 2023, chapter 52, article 2, section 3, subdivision 3, paragraph (d), the Grand Portage Band of Lake Superior Chippewa may use the grant awarded for equipment, personnel, patrolling, and other related costs of providing coast guard services off the north shore of Lake Superior.

## ARTICLE 6 CRIMINAL PROVISIONS

Section 1. Minnesota Statutes 2023 Supplement, section 146A.08, subdivision 1, is amended to read:

Subdivision 1. **Prohibited conduct.** (a) The commissioner may impose disciplinary action as described in section 146A.09 against any unlicensed complementary and alternative health care practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(b) Conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no-contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to engaging in complementary and alternative health care practices. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(c) Conviction of any crime against a person. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.215; 609.221; 609.222; 609.223; 609.224; 609.2242; 609.23; 609.231; 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.247; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1 or 1b; 609.50, subdivision 1, clause (1); 609.561; 609.562; 609.595; and 609.72, subdivision 3; and Minnesota Statutes 2012, section 609.21.

(d) Failure to comply with the self-reporting requirements of section 146A.03, subdivision 7.

(e) Engaging in sexual contact with a complementary and alternative health care client, engaging in contact that may be reasonably interpreted by a client as sexual, engaging in any verbal behavior that is seductive or sexually demeaning to the client, or engaging in sexual exploitation of a client or former client.

(f) Advertising that is false, fraudulent, deceptive, or misleading.

(g) Conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of a complementary and alternative health care client; or any other practice that may create danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Adjudication as mentally incompetent or as a person who is dangerous to self or adjudication pursuant to chapter 253B as chemically dependent, mentally ill, developmentally disabled, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.

(i) Inability to engage in complementary and alternative health care practices with reasonable safety to complementary and alternative health care clients.

(j) The habitual overindulgence in the use of or the dependence on intoxicating liquors.

(k) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.

(l) Revealing a communication from, or relating to, a complementary and alternative health care client except when otherwise required or permitted by law.

(m) Failure to comply with a complementary and alternative health care client's request made under sections 144.291 to 144.298 or to furnish a complementary and alternative health care client record or report required by law.

(n) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the complementary and alternative health care client.

(o) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(p) Failure to make reports as required by section 146A.03 or cooperate with an investigation of the office.

(q) Obtaining money, property, or services from a complementary and alternative health care client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(r) Failure to provide a complementary and alternative health care client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(s) Violating any order issued by the commissioner.

(t) Failure to comply with any provision of sections 146A.01 to 146A.11 and the rules adopted under those sections.

(u) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.

(v) Revocation, suspension, restriction, limitation, or other disciplinary action against any health care license, certificate, registration, or right to practice of the unlicensed complementary and alternative health care practitioner in this or another state or jurisdiction for offenses that would be subject to disciplinary action in this state or failure to report to the office that charges regarding the practitioner's license, certificate, registration, or right of practice have been brought in this or another state or jurisdiction.

(w) Use of the title "doctor," "Dr.," or "physician" alone or in combination with any other words, letters, or insignia to describe the complementary and alternative health care practices the practitioner provides.

(x) Failure to provide a complementary and alternative health care client with a recommendation that the client see a health care provider who is licensed or registered by a health-related licensing board or the commissioner of health, if there is a reasonable likelihood that the client needs to be seen by a licensed or registered health care provider.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations that occur on or after that date.

Sec. 2. Minnesota Statutes 2022, section 152.025, subdivision 4, is amended to read:

Subd. 4. **Penalty.** (a) A person convicted under the provisions of subdivision 2, clause (1), who has not been previously convicted of a violation of this chapter or a similar offense in another jurisdiction, is guilty of a gross misdemeanor if: (1) the amount of the controlled substance possessed, other than heroin, is less than 0.25 grams or one dosage unit or less if the controlled substance was possessed in dosage units; or (2) the controlled substance possessed is heroin and the amount possessed is less than 0.05 grams.

(b) A person convicted under the provisions of subdivision 1; subdivision 2, clause (1), unless the conduct is described in paragraph (a); or subdivision 2, clause (2), may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(c) If a peace officer encounters a person who is suspected of violating this section, the peace officer may refer the person to a local service provider that can offer substance use assistance to the person. Upon request at the time of initial contact, a peace officer must, if practicable and available, provide a person suspected of violating this section with a referral to local service providers. For purposes of this paragraph, "local service provider" includes but is not limited to substance use disorder treatment and recovery providers, peer support groups and systems, homeless shelters, detoxification centers, hospital systems, mental health crisis centers, naloxone providers, syringe service providers, and harm reduction programs.

Sec. 3. Minnesota Statutes 2022, section 243.167, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2; 609.498, subdivision 1 or 1b; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

Sec. 4. Minnesota Statutes 2022, section 609.06, subdivision 1, as amended by Laws 2024, chapter 78, section 7, is amended to read:

Subdivision 1. **When authorized.** Except as otherwise provided in subdivisions 2 ~~and 3~~ to 4, reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

- (1) when used by a public officer or one assisting a public officer under the public officer's direction:
- (i) in effecting a lawful arrest; or
  - (ii) in the execution of legal process; or
  - (iii) in enforcing an order of the court; or
  - (iv) in executing any other duty imposed upon the public officer by law; or
- (2) when used by a person not a public officer in arresting another in the cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or
- (3) when used by any person in resisting or aiding another to resist an offense against the person; or
- (4) when used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or
- (5) when used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or
- (6) when used by a parent, guardian, or other lawful custodian of a child, in the exercise of lawful authority, to restrain or correct such child; or
- (7) when used by a teacher, school principal, school employee, school bus driver, or other agent of a district in the exercise of lawful authority, to restrain a child or pupil to prevent bodily harm or death to the child, pupil, or another; or
- (8) when used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or
- (9) when used to restrain a person with a mental illness or a person with a developmental disability from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct, or treatment; or
- (10) when used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct, or treatment of the committed person.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2022, section 609.06, is amended by adding a subdivision to read:

**Subd. 4. Use of force not authorized; reaction to victim's sexual orientation or gender identity.** Force may not be used against another based on the discovery of, knowledge about, or potential disclosure of the victim's actual or perceived sexual orientation, gender identity, or gender expression.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2022, section 609.075, is amended to read:

**609.075 DEFENSES; INTOXICATION AS DEFENSE, REACTION TO VICTIM'S SEXUAL ORIENTATION OR GENDER IDENTITY.**

Subdivision 1. Intoxication as defense. An act committed while in a state of voluntary intoxication is not less criminal by reason thereof, but when a particular intent or other state of mind is a necessary element to constitute a particular crime, the fact of intoxication may be taken into consideration in determining such intent or state of mind.

Subd. 2. Reaction to victim's sexual orientation or gender identity. It is not a defense to a crime that the defendant acted based on the discovery of, knowledge about, or potential disclosure of the victim's actual or perceived sexual orientation, gender identity, or gender expression.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2022, section 609.1056, is amended by adding a subdivision to read:

Subd. 3a. Reporting. (a) If the court imposes a deferred sentence under subdivision 2, paragraph (b), the court shall prepare a deferred sentence report containing the following information:

(1) the name of the defendant;

(2) the case number;

(3) the underlying charge or charges;

(4) the fact that proceedings have been deferred pursuant to this section;

(5) the length of the term of probation ordered by the court;

(6) the conditions of probation; and

(7) a copy of the sentencing worksheet prepared pursuant to section 609.115, if a worksheet was prepared.

(b) If the defendant violates a condition of probation and the court enters an adjudication of guilt as described in subdivision 2, paragraph (d), the court shall prepare a violation report containing the following information:

(1) the name of the defendant;

(2) the case number;

(3) whether the violation was a technical violation as defined in section 244.195, subdivision 15, or involved allegation of a subsequent criminal act; and

(4) the sentence announced by the court.

(c) The deferred sentence report prepared under paragraph (a), any violation report prepared under paragraph (b), and a record of any discharge and dismissal prepared pursuant to subdivision 3 must be forwarded to the Sentencing Guidelines Commission. By January 15 of each year, the Sentencing Guidelines Commission shall provide a report to the committees and divisions with jurisdiction over public safety finance and policy and veterans and military affairs finance and policy that consists solely of summary data and includes:

(1) the number of individuals who received a deferred sentence pursuant to subdivision 2, paragraph (b), in the previous year, disaggregated by county;

(2) the number of individuals who received an adjudication of guilt as described in subdivision 2, paragraph (d), in the previous year, disaggregated by county;

(3) for the individuals identified in clause (2), the number who committed a technical violation of probation and the number alleged to have committed a subsequent criminal act; and

(4) the number of proceedings dismissed pursuant to subdivision 3 in the previous year, disaggregated by county.

(d) The report required under paragraph (c) may be submitted as a section of any other annual report required to be submitted by the Sentencing Guidelines Commission.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to deferred sentences announced on or after that date.

Sec. 8. Minnesota Statutes 2023 Supplement, section 609.1095, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: sections 152.137; 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.247; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.322; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1 or 1b; 609.561; 609.562; 609.582, subdivision 1; 609.66, subdivision 1e; 609.687; and 609.855, subdivision 5; any provision of sections 609.229; 609.377; 609.378; 609.749; and 624.713 that is punishable by a felony penalty; or any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or Minnesota Statutes 2012, section 609.21.

Sec. 9. Minnesota Statutes 2023 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. **Stay of sentence maximum periods.** (a) Except as provided in paragraph (b), if the conviction is for a felony, the stay shall be for not more than five years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is less.

(b) If the conviction is for a felony ~~described in~~ violation of, or a felony-level attempt or conspiracy to violate, section 609.19; 609.195; 609.20; 609.2112; 609.2113, subdivision 2; 609.2662; 609.2663; 609.2664; 609.268; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3458; or 609.749; or a felony-level attempt or conspiracy to violate section 609.185 or 609.2661, the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.



(c) If the conviction is for a gross misdemeanor violation of section 169A.20, 609.2113, subdivision 3, or 609.3451, the stay shall be for not more than four years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(d) If the conviction is for a gross misdemeanor not specified in paragraph (c), the stay shall be for not more than two years.

(e) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(f) If the conviction is for a misdemeanor not specified in paragraph (e), the stay shall be for not more than one year.

(g) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph (h), or the defendant has already been discharged.

(h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (g), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

- (1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and
- (2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

(i) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (g), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

- (1) the defendant has failed to complete court-ordered treatment successfully; and
- (2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to sentences announced on or after that date.

Sec. 10. Minnesota Statutes 2023 Supplement, section 609.14, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct ~~which that~~ warrants the ~~imposing adjudication of guilt, or imposition~~ or execution of sentence, the court may without notice revoke the stay and direct that the defendant be taken into immediate custody. Revocation shall only be used as a last resort when rehabilitation has failed.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the Rules of Criminal Procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

(c) Notwithstanding the provisions of section 609.135 or any law to the contrary, after proceedings to revoke the stay have been initiated by a court order revoking the stay and directing either that the defendant be taken into custody or that a summons be issued in accordance with paragraph (a), the proceedings to revoke the stay may be concluded and the summary hearing provided by subdivision 2 may be conducted after the expiration of the stay or after the six-month period set forth in paragraph (b). The proceedings to revoke the stay shall not be dismissed on the basis that the summary hearing is conducted after the term of the stay or after the six-month period. The ability or inability to locate or apprehend the defendant prior to the expiration of the stay or during or after the six-month period shall not preclude the court from conducting the summary hearing unless the defendant demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Sec. 11. Minnesota Statutes 2022, section 609.14, subdivision 2, is amended to read:

Subd. 2. **Notification of grounds for revocation.** The defendant shall thereupon be notified in writing and in such manner as the court directs of the grounds alleged to exist for revocation of the stay ~~of imposition or execution of sentence~~. If such grounds are brought in issue by the defendant, a summary hearing shall be held thereon at which the defendant is entitled to be heard and to be represented by counsel.

Sec. 12. Minnesota Statutes 2022, section 609.14, subdivision 3, is amended to read:

Subd. 3. **Sentence.** If any of such grounds are found to exist the court may:

(1) if imposition of sentence was previously stayed, again stay sentence or impose sentence and stay the execution thereof, and in either event place the defendant on probation or order intermediate sanctions pursuant to section 609.135, or impose sentence and order execution thereof; ~~or~~

(2) if sentence was previously imposed and execution thereof stayed, continue such stay and place the defendant on probation or order intermediate sanctions in accordance with the provisions of section 609.135, or order execution of the sentence previously imposed; or

(3) if adjudication was stayed or prosecution was deferred, continue the stay without intermediate sanctions, continue it with intermediate sanctions, or adjudicate guilt and proceed as otherwise provided, including, in the event of a felony conviction, as provided in section 244.10.

Sec. 13. Minnesota Statutes 2022, section 609.14, is amended by adding a subdivision to read:

Subd. 5. **Definition.** For the purposes of this section, "stay" means a stay of adjudication, a stay of imposition, a stay of execution, or a deferred prosecution.

Sec. 14. Minnesota Statutes 2022, section 609.324, subdivision 1, is amended to read:

Subdivision 1. **Engaging in, hiring, or agreeing to hire minor to engage in prostitution; penalties.** (a) Whoever intentionally does any of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$40,000, or both:

(1) engages in prostitution with an individual under the age of 14 years;

(2) hires or offers or agrees to hire an individual under the age of 14 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 14 years to engage in sexual penetration or sexual contact.

(b) Whoever intentionally does any of the following may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both:

(1) engages in prostitution with an individual under the age of 16 years but at least 14 years;

(2) hires or offers or agrees to hire an individual under the age of 16 years but at least 14 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 16 years but at least ~~13~~ 14 years to engage in sexual penetration or sexual contact.

(c) Whoever intentionally does any of the following may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

(1) engages in prostitution with an individual under the age of 18 years but at least 16 years;

(2) hires or offers or agrees to hire an individual under the age of 18 years but at least 16 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 18 years but at least 16 years to engage in sexual penetration or sexual contact.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2023 Supplement, section 609.522, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Pattern of retail theft" means acts committed or directed by the defendant on at least two separate occasions in the preceding six months that would constitute a violation of:

(1) section 609.52, subdivision 2, paragraph (a), ~~clauses~~ clause (1), (3), ~~and or~~ (4), involving retail merchandise;

(2) section 609.521;

(3) section 609.53, subdivision 1, involving retail merchandise;

(4) section 609.582 when the building was a retail establishment; or

(5) section 609.59.

(c) "Retail establishment" means the building where a retailer sells retail merchandise.

(d) "Retail merchandise" means all forms of tangible property, without limitation, held out for sale by a retailer.

(e) "Retail theft enterprise" means a group of two or more individuals with a shared goal involving the unauthorized removal of retail merchandise from a retailer. Retail theft enterprise does not require the membership of the enterprise to remain the same or that the same individuals participate in each offense committed by the enterprise.

(f) "Retailer" means a person or entity that sells retail merchandise.

(g) "Value" means the retail market value at the time of the theft or, if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft.

Sec. 16. Minnesota Statutes 2023 Supplement, section 609.522, subdivision 2, is amended to read:

Subd. 2. **Organized retail theft.** A person is guilty of organized retail theft if:

(1) the person is employed by or associated with a retail theft enterprise;

(2) the person has previously engaged in a pattern of retail theft and intentionally commits an act or directs another member of the retail theft enterprise to commit an act involving retail merchandise that would constitute a violation of:

(i) section 609.52, subdivision 2, paragraph (a), ~~clauses clause~~ (1), (3), ~~and or~~ (4); or

(ii) section 609.53, subdivision 1; and

(3) the person or another member of the retail theft enterprise:

(i) resells or intends to resell the stolen retail merchandise;

(ii) advertises or displays any item of the stolen retail merchandise for sale; or

(iii) returns any item of the stolen retail merchandise to a retailer for anything of value.

Sec. 17. Minnesota Statutes 2022, section 609.78, is amended by adding a subdivision to read:

Subd. 2c. **Felony offense; reporting fictitious emergency resulting in response to the home of certain officials.** Whoever violates subdivision 2, clause (2), is guilty of a felony and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$5,000, or both, if the person places the call with the intent of prompting an emergency response to the home of:

(1) an elected official;

(2) a judge as defined in section 609.221, subdivision 6, clause (5);

(3) a prosecuting attorney as defined in section 609.221, subdivision 6, clause (4);

(4) an employee of a correctional facility as defined in section 241.021, subdivision 1i; or

(5) a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2022, section 609.78, subdivision 3, is amended to read:

Subd. 3. **Definition.** (a) Except as provided in paragraph (b), for purposes of this section, "emergency call" means:

(1) a 911 call;

(2) any call for emergency medical or ambulance service; or

(3) any call for assistance from a police or fire department or for other assistance needed in an emergency to avoid serious harm to person or property,

and an emergency exists.

(b) As used in subdivisions 1, clause (6); 2, clause (2); ~~and 2a;~~ and 2c:

(1) "call" includes the use of any method of communication including, but not limited to: telephones, facsimiles, Voice over Internet Protocols, email messages, text messages, and electronic transmissions of an image or video; and

(2) "emergency call" has the meaning given in paragraph (a) but does not require the existence of an emergency.

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

Sec. 19. **[609.84] SALE OF HUMAN REMAINS.**

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

(b) "Human remains" means any part of a dead human body, the cremated remains of a dead human body, or the hydrolyzed remains of a dead human body.

(c) "Law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f).

(d) "Local organization for emergency management" has the meaning given in section 12.03, subdivision 6.

(e) "Search and rescue unit" means an organization, team, or individual authorized by the state or federal government, a Tribal government, or by a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679 whose mission is to locate lost, missing, or trapped persons, victims of natural or other disasters, and human bodies.

Subd. 2. **Sale of human remains prohibited; donation and reimbursement.** (a) Except as provided in paragraph (b), a person is prohibited from selling human remains or offering human remains for sale.

(b) Paragraph (a) shall not be construed to limit the donation of human remains:

(1) to a licensed health care provider, an individual employed by or under contract with a licensed health care provider, a public or private postsecondary educational institution, or an individual employed by or under contract with a public or private postsecondary educational institution, for legitimate medical or scientific purposes or for educational purposes;

(2) to a company registered with the United States Food and Drug Administration or an individual, company, or entity employed by or under contract with a company registered with the United States Food and Drug Administration for legitimate medical or scientific purposes, including but not limited to the development, manufacturing, and research of medical products; or

(3) to a law enforcement agency, search and rescue unit, or local organization for emergency management to conduct search and rescue training or to entities that train dogs to locate dead human bodies.

(c) Paragraph (a) does not apply to the sale or offer for sale of human remains that is incidental to the sale of real property, including undisturbed burial plots, cemeteries, crypts, or other burial features.

(d) Nothing in this section shall be construed to prohibit a person from recovering reasonable expenses for the processing, preservation, quality control, storage, transportation, or final disposition of human remains for the legitimate purposes as described in this section.

Subd. 3. **Penalty.** A person who violates this section is guilty of a felony.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to crimes committed on or after that date.

## ARTICLE 7 PREDATORY OFFENDERS

Section 1. Minnesota Statutes 2022, section 243.166, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) As used in this section, unless the context clearly indicates otherwise, the following terms have the meanings given them.

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

(c) "Conservator" has the meaning given in chapter 524.

~~(c)~~ (d) "Corrections agent" means a county or state probation agent or other corrections employee. The term also includes United States Probation and Pretrial Services System employees who work with a person subject to this section.

~~(d)~~ (e) "Dwelling" means the building where the person lives under a formal or informal agreement to do so. However, dwelling does not include a supervised publicly or privately operated shelter or facility designed to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5.

(f) "Guardian" has the meaning given in chapter 524.

~~(e)~~ (g) "Incarceration" and "confinement" do not include electronic home monitoring.

~~(f)~~ (h) "Law enforcement authority" or "authority" means the chief of police of a home rule charter or statutory city and the county sheriff of an unincorporated area in that county. An authority must be located in Minnesota.

~~(g)~~ (i) "Motor vehicle" has the meaning given in section 169.011, subdivision 92.

(j) "Power of attorney" has the meaning given in chapter 523.

~~(h)~~ (k) "Primary address" means the mailing address of the person's dwelling. If the mailing address is different from the actual location of the dwelling, primary address also includes the physical location of the dwelling described with as much specificity as possible.

~~(i)~~ (l) "School" includes any public or private educational institution, including any secondary school, trade, or professional institution, or institution of higher education, that the person is enrolled in on a full-time or part-time basis.

~~(j)~~ (m) "Secondary address" means the mailing address of any place where the person regularly or occasionally stays overnight when not staying at the person's primary address. If the mailing address is different from the actual location of the place, secondary address also includes the physical location of the place described with as much specificity as possible. However, the location of a supervised publicly or privately operated shelter or facility designated to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5, does not constitute a secondary address.

~~(k)~~ (n) "Treatment facility" means a residential facility, as defined in section 244.052, subdivision 1, and residential substance use disorder treatment programs and halfway houses licensed under chapter 245A, including, but not limited to, those facilities directly or indirectly assisted by any department or agency of the United States.

~~(l)~~ (o) "Work" includes employment that is full time or part time for a period of time exceeding 14 days or for an aggregate period of time exceeding 30 days during any calendar year, whether financially compensated, volunteered, or for the purpose of government or educational benefit.

Sec. 2. Minnesota Statutes 2023 Supplement, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3, paragraph (b); or 609.3453;

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (h);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit any of the following and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) criminal abuse in violation of Minnesota Statutes 2020, section 609.2325, subdivision 1, paragraph (b);

~~(ii) false imprisonment in violation of section 609.255, subdivision 2;~~

~~(iii)~~ (ii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

- ~~(iv)~~ (iii) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);
- ~~(v)~~ (iv) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);
- ~~(vi)~~ (v) using a minor in a sexual performance in violation of section 617.246; or
- ~~(vii)~~ (vi) possessing or disseminating a pornographic work involving a minor in violation of section 617.247;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to an offense or involving similar circumstances to an offense described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state similar to an offense or involving similar circumstances to an offense described in paragraph (a), clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer or for an aggregate period of time exceeding 30 days during any calendar year; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to:



(1) convictions and delinquency adjudications for a violation of Minnesota Statutes, section 609.255, subdivision 2, or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency adjudications for such an offense that are not yet final on that date; and

(2) convictions and delinquency adjudications for disseminating a pornographic work involving a minor in violation of Minnesota Statutes, section 617.247, or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency adjudications for such an offense that occurred before that date if the court told the person of the duty to register.

Sec. 3. Minnesota Statutes 2022, section 243.166, subdivision 3, is amended to read:

Subd. 3. **Registration procedure.** (a) Except as provided in subdivision 3a, a person required to register under this section shall register with the corrections agent as soon as the agent is assigned to the person. If the person does not have an assigned corrections agent or is unable to locate the assigned corrections agent, the person shall register with the law enforcement authority that has jurisdiction in the area of the person's primary address.

(b) Except as provided in subdivision 3a, at least five days before the person starts living at a new primary address, including living in another state, the person shall give written notice of the new primary address to the assigned corrections agent or to the law enforcement authority with which the person currently is registered. If the person will be living in a new state and that state has a registration requirement, the person shall also give written notice of the new address to the designated registration agency in the new state. A person required to register under this section shall also give written notice to the assigned corrections agent or to the law enforcement authority that has jurisdiction in the area of the person's primary address that the person is no longer living or staying at an address, immediately after the person is no longer living or staying at that address. The written notice required by this paragraph must be provided in person. The corrections agent or law enforcement authority shall, within two business days after receipt of this information, forward it to the bureau. The bureau shall, if it has not already been done, notify the law enforcement authority having primary jurisdiction in the community where the person will live of the new address. If the person is leaving the state, the bureau shall notify the registration authority in the new state of the new address. The person's registration requirements under this section are suspended after the person begins living in the new state and the bureau has confirmed the address in the other state through the annual verification process on at least one occasion. The bureau may also attempt to confirm the person's address in the other state by the following methods:

(1) receipt of a verification letter from the law enforcement authority having primary jurisdiction in the community where the person is now living, acknowledging the person's address;

(2) receipt of a written communication or verification letter from a criminal justice agency confirming the person's location;

(3) confirmation of the individual's compliance with registration requirements or incarceration status in the new state via an online registry or website, if applicable; or

(4) confirmation of the individual's motor vehicle records under United States Code, title 18, section 2721, in the new state via the new state's documentation.

The bureau is the sole determinant as to whether the information provided by any of the methods in clauses (1) to (3) is sufficient for verification purposes and may use more than one of these methods to satisfy the verification requirement. For purposes of this subdivision, "criminal justice agency" means an agency of a state, a political subdivision, a federally recognized Tribe, a United States territory, or the federal government charged with

detection, enforcement, prosecution, adjudication, or incarceration with respect to federal or state criminal laws. The person's registration requirements under this section are reactivated if the person resumes living in Minnesota and the registration time period described in subdivision 6 has not expired.

(c) A person required to register under subdivision 1b, paragraph (b), because the person is working or attending school in Minnesota shall register with the law enforcement authority that has jurisdiction in the area where the person works or attends school. In addition to other information required by this section, the person shall provide the address of the school or of the location where the person is employed. A person shall comply with this paragraph within five days of beginning employment or school. A person's obligation to register under this paragraph terminates when the person is no longer working or attending school in Minnesota.

(d) A person required to register under this section who works or attends school outside of Minnesota shall register as a predatory offender in the state where the person works or attends school. The person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority that has jurisdiction in the area of the person's primary address shall notify the person of this requirement.

Sec. 4. Minnesota Statutes 2022, section 243.166, is amended by adding a subdivision to read:

Subd. 4d. **Guardians, conservators, and power of attorney.** Guardians and conservators of persons required to register shall have the authority to complete all verification and registration paperwork under this section and section 243.167 on the person's behalf. A validly executed power of attorney under chapter 523 grants the attorney in fact the authority to complete all verification and registration paperwork under this section and section 243.167 on behalf of a person required to register.

Sec. 5. Minnesota Statutes 2022, section 243.166, subdivision 6, is amended to read:

Subd. 6. **Registration period.** (a) Notwithstanding the provisions of section 609.165, subdivision 1, and except as provided in paragraphs (b), (c), and (d), a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person initially registered in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. For a person required to register under this section who is committed under section 253B.18, Minnesota Statutes 2012, section 253B.185, or chapter 253D, the ten-year registration period does not include the period of commitment.

(b) If a person required to register under this section fails to provide the person's primary address as required by subdivision 3, paragraph (b), fails to comply with the requirements of subdivision 3a, fails to provide information as required by subdivision 4a, or fails to return the verification form referenced in subdivision 4 within ten days, the commissioner of public safety shall require the person to continue to register for an additional period of five years. This five-year period is added to the end of the offender's registration period.

(c) If a person required to register under this section is incarcerated due to a conviction for a new offense that requires registration under this section or section 243.167 or following a revocation of probation, supervised release, or conditional release for ~~any~~ an offense that requires registration under this section or section 243.167, the person shall continue to register until ten years have elapsed since the person was last released from incarceration or until the person's probation, supervised release, or conditional release period expires, whichever occurs later.

(d) A person shall continue to comply with this section for the life of that person:

(1) if the person is convicted of or adjudicated delinquent for any offense for which registration is required under subdivision 1b, or any offense from another state or any federal offense similar to the offenses described in subdivision 1b, and the person has a prior conviction or adjudication for an offense for which registration was or would have been required under subdivision 1b, or an offense from another state or a federal offense similar to an offense described in subdivision 1b;

(2) if the person is required to register based upon a conviction or delinquency adjudication for an offense under section 609.185, paragraph (a), clause (2), or a similar statute from another state or the United States;

(3) if the person is required to register based upon a conviction for an offense under section 609.342, subdivision 1, clause (a) to (c) or (e), or subdivision 1a, clause (a) to (e) or (h); 609.343, subdivision 1, clause (a) to (c) or (e), or subdivision 1a, clause (a) to (e) or (h); 609.344, subdivision 1, clause (a) or (c), or subdivision 1a, clause (a), (c), (g), or (h); or 609.345, subdivision 1, clause (a) or (c), or subdivision 1a, clause (a), (c), (g), or (h); or a statute from another state or the United States similar to the offenses described in this clause; or

(4) if the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States.

(e) A person described in subdivision 1b, paragraph (b), who is required to register under the laws of a state in which the person has been previously convicted or adjudicated delinquent, shall register under this section for the time period required by the state of conviction or adjudication unless a longer time period is required elsewhere in this section.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to convictions and revocations of probation, supervised release, or conditional release that occur on or after that date and to convictions that are not yet final on that date.

Sec. 6. Minnesota Statutes 2022, section 244.052, subdivision 4, is amended to read:

**Subd. 4. Law enforcement agency; disclosure of information to public.** (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services. The agency may disclose the information to property assessors, property inspectors, code enforcement officials, and child protection officials who are likely to visit the offender's home in the course of their duties;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the Department of Corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166. This requirement on a law enforcement agency to continue to disclose information also applies to an offender who lacks a primary address and is registering under section 243.166, subdivision 3a.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A city council may adopt a policy that addresses when information disclosed under this subdivision must be presented in languages in addition to English. The policy may address when information must be presented orally, in writing, or both in additional languages by the law enforcement agency disclosing the information. The policy may provide for different approaches based on the prevalence of non-English languages in different neighborhoods.

(i) An offender who is the subject of a community notification meeting held pursuant to this section may not attend the meeting.

(j) When a school, day care facility, or other entity or program that primarily educates or serves children receives notice under paragraph (b), clause (3), that a level III predatory offender resides or works in the surrounding community, notice to parents must be made as provided in this paragraph. If the predatory offender identified in the notice is participating in programs offered by the facility that require or allow the person to interact with children other than the person's children, the principal or head of the entity must notify parents with children at the facility of the contents of the notice received pursuant to this section. The immunity provisions of subdivision 7 apply to persons disclosing information under this paragraph.

(k) When an offender for whom notification was made under this subdivision no longer resides, is employed, or is regularly found in the area, and the law enforcement agency that made the notification is aware of this, the agency shall inform the entities and individuals initially notified of the change in the offender's status. If notification was made under paragraph (b), clause (3), the agency shall provide the updated information required under this paragraph in a manner designed to ensure a similar scope of dissemination. However, the agency is not required to hold a public meeting to do so.

Sec. 7. Minnesota Statutes 2022, section 244.052, subdivision 4a, is amended to read:

Subd. 4a. **Level III offenders; location of residence.** (a) When an offender assigned to risk level III is released from confinement or a residential facility to reside in the community or changes residence while on supervised or conditional release, the agency responsible for the offender's supervision shall:

(1) take into consideration the proximity of the offender's residence to that of other level III offenders and if the proximity presents a risk of reoffending;

(2) take into consideration the proximity to of the offender's residence to the following locations if the locations present a risk of reoffending:

(i) schools;

(ii) child care facilities or family or group family day care programs;

(iii) licensed residences for vulnerable adults;

(iv) attractions within public parks that are regularly used by minors, including but not limited to playgrounds or athletic fields; and

(v) community centers and recreation centers that are regularly used in youth athletic activities or offer regularly scheduled indoor playtimes or access to gymnasiums and other facilities that are restricted to minors; and

(3) to the greatest extent feasible, shall mitigate the concentration of level III offenders and concentration of level III offenders near schools the locations listed in clause (2) when the concentration presents a risk of reoffending.

(b) If the owner or property manager of a hotel, motel, lodging establishment, or apartment building has an agreement with an agency that arranges or provides shelter for victims of domestic abuse, the owner or property manager may not knowingly rent rooms to both level III offenders and victims of domestic abuse at the same time.

If the owner or property manager has an agreement with an agency to provide housing to domestic abuse victims and discovers or is informed that a tenant is a level III offender after signing a lease or otherwise renting to the offender, the owner or property manager may evict the offender.

Sec. 8. Minnesota Statutes 2022, section 260B.198, subdivision 7, is amended to read:

Subd. 7. **Continuance.** (a) When it is in the best interests of the child to do so and not inimical to public safety and when the child has admitted the allegations contained in the petition before the judge or referee, or when a hearing has been held as provided for in section 260B.163 and the allegations contained in the petition have been duly proven but, in either case, before a finding of delinquency has been entered, the court may continue the case for a period not to exceed 180 days on any one order. Except as otherwise provided in paragraph (c), the continuance may be extended for one additional successive period not to exceed 180 days, but only with the consent of the prosecutor and only after the court has reviewed the case and entered its order for the additional continuance without a finding of delinquency. During a continuance the court may enter an order in accordance with the provisions of subdivision 1, except clause (4), or enter an order to hold the child in detention for a period not to exceed 15 days on any one order for the purpose of completing any consideration, or any investigation or examination ordered in accordance with the provisions of section 260B.157.

(b) A prosecutor may appeal a continuance ordered in contravention of this subdivision. This subdivision does not extend the court's jurisdiction under section 260B.193 and does not apply to an extended jurisdiction juvenile proceeding.

(c) A continuance granted under paragraph (a) for a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23 or another offense arising out of a delinquency petition based on one or more of those sections that would require the child to register as a predatory offender under section 243.166 may be extended for additional successive periods not to exceed a total of 24 months so the offender can receive sex offender treatment, but only with the consent of the prosecutor and only after the court has reviewed the case and entered its order for the additional continuance without a finding of delinquency.

## ARTICLE 8 CORRECTIONS PROVISIONS

Section 1. Minnesota Statutes 2022, section 13.84, subdivision 6, is amended to read:

Subd. 6. **Public benefit data.** (a) The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to:

- (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and
- (2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution.

(b) A parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency may release to a law enforcement agency the following data on defendants, parolees, or probationers: current address, dates of entrance to and departure from agency programs, and dates and times of any absences, both authorized and unauthorized, from a correctional program.

(c) The responsible authority or its designee of a juvenile correctional agency may release private or confidential court services data to a victim of a delinquent act to the extent the data are necessary to enable the victim to assert the victim's right to request notice of release under section 611A.06. The data that may be released include only the name, home address, and placement site of a juvenile who has been placed in a juvenile correctional facility as a result of a delinquent act.

~~(d) Upon the victim's written or electronic request and, if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), The commissioner of corrections or the commissioner's designee may disclose to the victim of an offender convicted of a qualified domestic violence related offense as defined in section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon or after release from a Department of Corrections facility, unless:~~

~~(1) the offender is not under correctional supervision at the time of the victim's request;~~

~~(2) the commissioner or the commissioner's designee does not have the city or zip code; or~~

~~(3) the commissioner or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.~~

~~(e) Paragraph (d) applies only where the offender is serving a prison term for a qualified domestic violence related offense committed against the victim seeking notification.~~

Sec. 2. Minnesota Statutes 2023 Supplement, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

- (12) a policy regarding the use of telehealth;
- (13) self-auditing of compliance with minimum standards;
- (14) information sharing with medical personnel and when medical assessment must be facilitated;
- (15) a code of conduct policy for facility staff and annual training;
- (16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and
- (17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. Notwithstanding chapter 13 or any other state law classifying or restricting access to data, the officers in charge of these facilities must furnish all data available to the facility that the commissioner deems necessary to conduct a review of any emergency or unusual occurrence at the facility. Failure to provide or grant access to relevant information or statistics necessary to fulfill inspection or emergency or unusual occurrence reviews, as requested by the commissioner, may be grounds for the commissioner to take action against a correctional facility's license under subdivision 1a, 1b, or 1c.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the



Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under chapter 401, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 3. Minnesota Statutes 2022, section 241.021, subdivision 1h, is amended to read:

Subd. 1h. **State correctional facilities security audit group.** (a) Beginning in fiscal year 2022, the commissioner shall form a state correctional facilities security audit group. The group must consist of the following members:

(1) a Department of Corrections employee who is not assigned to the correctional institutions division, appointed by the commissioner;

(2) the ombudsperson for corrections or a designee;

(3) an elected sheriff or designee nominated by the Minnesota Sheriffs' Association and appointed by the commissioner;

~~(4) a physical plant safety consultant, appointed by the governor;~~

~~(5) a private security consultant with expertise in correctional facility security, appointed by the governor;~~

(4) an individual with expertise in security related to infrastructure and operational logistics of correctional facilities who is not required to reside in Minnesota, appointed by the governor;

(5) the commissioner of health or a designee;

(6) the commissioner of administration or a designee;

~~(6)~~ (7) two senators, one appointed by the senate majority leader and one appointed by the minority leader; and

~~(7)~~ (8) two representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives.

(b) ~~By January 1, 2022, The ombudsperson or a designee shall chair the group.~~ The group shall establish security audit standards for state correctional facilities. In developing the standards, the group, or individual members of the group, may gather information from state correctional facilities and state correctional staff and inmates. The security audit group must periodically review the standards and modify them as needed. The group must report the standards to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance ~~by February 15, 2022~~ whenever the standards are updated.

(c) The group shall meet twice a year to review facility audit reports submitted to the group by the agency's inspection unit. Notwithstanding any law to the contrary, the group is entitled to review the full audit reports including nonpublic security information and corrections and detention confidential data. Within 60 days of ~~receiving an meeting to review~~ audit report reports from the department's inspection unit, the group must make recommendations to the commissioner. Within 45 days of receiving the group's recommendations, the commissioner must reply in writing to the group's findings and recommendations. The commissioner's response must explain whether the agency will implement the group's recommendations, the timeline for implementation of the changes, and, if not, why the commissioner will not or cannot implement the group's recommendations.

(d) Beginning in 2023, the commissioner must include a written aggregate of the group's recommendations based on each security audit and assessment of a state correctional facility and the commissioner's responses to the recommendations in the biennial report required under section 241.016, subdivision 1. The commissioner shall not include corrections and detention confidential data, as defined in section 13.85, subdivision 3, and nonpublic security information, as defined in section 13.37, subdivision 1, in the commissioner's report to the legislature.

(e) The commissioner shall provide staffing and administrative support to the group.

(f) The state correctional facilities security audit group is not subject to chapter 13D.

(g) Except as otherwise provided in this paragraph, the terms, compensation, and removal of members of the group are governed by section 15.059. Members of the group serve without compensation but shall receive expense reimbursement. Notwithstanding section 15.059, subdivision 6, the group does not expire.

Sec. 4. Minnesota Statutes 2022, section 241.021, subdivision 4b, is amended to read:

Subd. 4b. **Health care peer review committee.** The commissioner of corrections shall establish a health care peer review committee. Sections 145.61 to 145.67 apply to the committee. The committee shall gather, review, and evaluate information relating to the on-site and off-site quality of care and treatment of offenders. The committee shall consist of:

~~(1) the director of health services;~~

~~(2)~~ (1) the department medical director;

~~(3)~~ (2) the regional medical director of the contracted health care vendor;

~~(4)~~ (3) the department director of nursing or a designee;

~~(5)~~ (4) a physician from the contracting hospital provider; and

~~(6)~~ (5) another physician who provides health care to offenders on site at a correctional facility;

(6) one or more licensed physicians or nurse practitioners from the community, in person or by telephone, with expertise in the most appropriate clinical area;

(7) the director of psychiatry of the contracted vendor;

(8) the pharmacist liaison of the contracted vendor's pharmacy vendor;

(9) the clinical pharmacist of the contracted vendor;

(10) in cases of suicide or unanticipated death, a representative from the Office of Special Investigations; and

(11) other ad hoc members as indicated at the discretion of the Department of Corrections medical director or chief medical officer.

Sec. 5. **[241.253] REPORTING ON INMATE COMMUNICATION SERVICES REQUIRED.**

(a) By February 28 of each year, each county and regional correctional facility in the state, including a jail, juvenile detention center, workhouse, or lockup, must report to the commissioner of corrections on their communications contracts for incarcerated people. The report must include the total number of phone calls, phone call minutes, video visits, and e-messages initiated or received by incarcerated people in such facilities during the preceding calendar year. The report must also include the total amount of revenue generated by vendors at each facility in the preceding calendar year. The report must also include the total amount of commissions earned by each county and regional correctional facility, including a jail, juvenile detention center, workhouse, or lockup, during the preceding calendar year. The report must also include how the commissions were spent.

(b) For the purposes of this section, "commission" means any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, or technology allowance.

(c) By March 21 of each year, the commissioner must compile the county and regional jail communications data collected under paragraph (a) into a single report and submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over criminal justice policy.

Sec. 6. **[241.267] PRISON EDUCATION PARTNERSHIPS.**

The commissioner may not enter into an agreement or establish a prison education partnership with a higher education institution that:

(1) is organized as a private, for-profit postsecondary institution as described in section 136A.62, subdivision 3, clause (2), item (ii); or

(2) charges incarcerated students a higher per-credit rate than the rate for nonincarcerated students.

Sec. 7. Minnesota Statutes 2022, section 241.75, subdivision 2, is amended to read:

Subd. 2. **Health care decisions.** The medical director of the Department of Corrections, or the medical director's designee, who must be a physician licensed under chapter 147, may make a health care decision for an inmate incarcerated in a state correctional facility or placed in an outside facility on conditional medical release if the inmate's attending physician determines that the inmate lacks decision-making capacity and:

(1) there is not a documented health care agent designated by the inmate or the health care agent is not reasonably available to make the health care decision;

(2) if there is a documented health care directive, the decision is consistent with that directive;

(3) the decision is consistent with reasonable medical practice and other applicable law; and

(4) the medical director has made a good faith attempt to consult with the inmate's next of kin or emergency contact person in making the decision, to the extent those persons are reasonably available.

Sec. 8. Minnesota Statutes 2022, section 243.52, subdivision 2, is amended to read:

Subd. 2. **Use of force.** (a) Use of force must not be applied maliciously or sadistically for the purpose of causing harm to a confined or incarcerated person.

(b) Unless the use of deadly force is justified in this section, a correctional officer working in an adult correctional facility either under the control of the commissioner of corrections or licensed by the commissioner under section 241.021 may not use any of the following restraints:

(1) a choke hold;

(2) a prone restraint;

(3) tying all of a person's limbs together behind the person's back to render the person immobile; or

(4) securing a person in any way that results in transporting the person face down in a vehicle, except as directed by a medical professional.

(c) For the purposes of this subdivision, the following terms have the meanings given them:

(1) "choke hold" means a method by which a person applies sufficient pressure to a person to make breathing difficult or impossible, and includes but is not limited to any pressure to the neck, throat, or windpipe that may prevent or hinder breathing or reduce intake of air. Choke hold also means applying pressure to a person's neck on either side of the windpipe, but not to the windpipe itself, to stop the flow of blood to the brain via the carotid arteries;

(2) "prone restraint" means the use of manual restraint that places a person in a face-down position; and

(3) "deadly force" has the meaning given in section 609.066, subdivision 1.

(d) Use of deadly force is justified only if an objectively reasonable correctional officer would believe, based on the totality of the circumstances known to the officer at the time and without the benefit of hindsight, that deadly force is necessary:

(1) to protect the correctional officer or another from death or great bodily harm, provided that the threat:

(i) can be articulated with specificity ~~by the correctional officer~~;

(ii) is reasonably likely to occur absent action by the correctional officer; and

(iii) must be addressed through the use of deadly force without unreasonable delay; or

(2) to effect the capture or prevent the escape of a person when the officer reasonably believes that the person will cause death or great bodily harm to another person under the threat criteria in clause (1), unless immediately apprehended.

Sec. 9. Minnesota Statutes 2023 Supplement, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life and indeterminate sentences.** (a) The board may, under rules adopted by the commissioner, grant supervised release or parole as follows:

(1) to an inmate serving a mandatory life sentence after the inmate has served the minimum term of imprisonment specified in subdivision 4 or section 243.05, subdivision 1, paragraph (a);

(2) at any time for an inmate serving a nonlife indeterminate sentence for a crime committed on or before April 30, 1980; or

(3) to an inmate eligible for early supervised release under subdivision 4a after the inmate has served the minimum term of imprisonment.

(b) For cases involving multiple sentences, the board must grant or deny supervised release as follows:

(1) if an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all unexpired sentences; and,

(2) Notwithstanding any other law to the contrary, if an inmate who was under the age of 18 at the time of the commission of the relevant offenses and has served the minimum term of imprisonment specified in subdivision 4b is serving multiple sentences that are consecutive to one another, the board may grant or deny supervised release on one or more sentences.

(c) No less than three years before an inmate has served the applicable minimum term of imprisonment, the board must assess the inmate's status and make programming recommendations relevant to the inmate's release review. The commissioner must ensure that any board programming recommendations are followed and implemented.

(d) The board must conduct a supervised release review hearing as soon as practicable before an inmate has served the applicable minimum term of imprisonment.

(e) The board shall require the preparation of a community investigation report. The report shall:

(1) reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time;

(2) include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision; and

(3) include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(f) The board shall require the preparation of a development report when making a supervised release decision regarding an inmate who was under 18 years of age at the time of the commission of the offense. The report must be prepared by a mental health professional qualified to provide services to a client under section 245I.04, subdivision 2, clause (1) to (4) or (6), and must address the inmate's cognitive, emotional, and social maturity. The board may use a previous report that was prepared within 12 months immediately preceding the hearing.

(g) The board shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's release review hearing. The victim has a right to submit an oral or written statement at the review hearing. Notwithstanding chapter 13D, the board may meet in closed session to receive and review a victim's statement, at the request of the victim. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time.

(h) The board shall permit a prosecutor from the office that prosecuted the case to submit a written statement in advance of the review hearing.

(i) When considering whether to grant supervised release or parole to an inmate serving a life sentence or indeterminate sentence, the board shall consider, at a minimum, the following:

- (1) the report prepared pursuant to paragraph (e);
- (2) the report prepared pursuant to paragraph (f), if applicable;
- (3) a victim statement under paragraph (g), if submitted;
- (4) the statement of a prosecutor under paragraph (h), if submitted;
- (5) the risk the inmate poses to the community if released;
- (6) the inmate's progress in treatment, if applicable;
- (7) the inmate's behavior while incarcerated;
- (8) psychological or other diagnostic evaluations of the inmate;
- (9) information on the inmate's rehabilitation while incarcerated;
- (10) the inmate's criminal history;

(11) if the inmate was under 18 years of age at the time of the commission of the offense, relevant science on the neurological development of juveniles and information on the inmate's maturity and development while incarcerated; and

(12) any other relevant conduct of the inmate while incarcerated or before incarceration.

(j) The board may not grant supervised release or parole to an inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment, if applicable;

(ii) the inmate has been assessed for substance use disorder needs and, if appropriate, has successfully completed substance use disorder treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that:

(i) ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment; and

(ii) includes a postprison employment or education plan for the inmate.

(k) Supervised release or parole must be granted with a majority vote of the quorum required under section 244.049, subdivision 3. If there is a tie vote, supervised release or parole is granted only if the commissioner votes in favor of granting supervised release or parole.

(l) Within 30 days after a supervised release review hearing, the board must issue a decision on granting release, including an explanation for the decision. If an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all sentences.

(m) If the board does not grant supervised release, upon request of the inmate, the board shall conduct a subsequent supervised release hearing within three years of the initial hearing. If release is denied at the subsequent hearing, upon request of the inmate, the board shall continue to hold hearings at least once every three years. If the board denies an inmate's release under this paragraph, the explanation of that decision must identify specific steps that the inmate can take to increase the likelihood that release will be granted at a future hearing.

(n) When granting supervised release under this subdivision, the board must set prerelease conditions to be followed by the inmate, if time permits, before their actual release or before constructive parole becomes effective. If the inmate violates any of the prerelease conditions, the commissioner may rescind the grant of supervised release without a hearing at any time before the inmate's release or before constructive parole becomes effective. A grant of constructive parole becomes effective once the inmate begins serving the consecutive sentence.

(o) If the commissioner rescinds a grant of supervised release or parole, the board:

(1) must set a release review date that occurs within 90 days of the commissioner's rescission; and

(2) by majority vote, may set a new supervised release date or set another review date.

(p) If the commissioner revokes supervised release or parole for an inmate serving a life sentence, the revocation is not subject to the limitations under section 244.30 and the board:

- (1) must set a release review date that occurs within one year of the commissioner's final revocation decision; and
- (2) by majority vote, may set a new supervised release date or set another review date.

(q) The board may, by a majority vote, grant a person on supervised release or parole for a life or indeterminate sentence a final discharge from their sentence in accordance with section 243.05, subdivision 3. In no case, however, may a person subject to a mandatory lifetime conditional release term under section 609.3455, subdivision 7, be discharged from that term.

(r) For purposes of this subdivision:

- (1) "board" means the ~~Indeterminate Sentence~~ Supervised Release Board under section 244.049;
- (2) "constructive parole" means the status of an inmate who has been paroled from an indeterminate sentence to begin serving a consecutive sentence in prison; and
- (3) "victim" has the meaning given in section 611A.01, paragraph (b).

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to supervised release hearings conducted on or after that date.

Sec. 10. Minnesota Statutes 2023 Supplement, section 244.17, subdivision 3, is amended to read:

Subd. 3. **Offenders not eligible.** ~~(a)~~ The following offenders are not eligible to be placed in the challenge incarceration program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, carjacking, arson, or any other offense involving death or intentional personal injury;

(2) offenders who were convicted within the preceding ten years of an offense described in clause (1) and were committed to the custody of the commissioner;

(3) offenders who have been convicted or adjudicated delinquent within the past five years for a violation of section 609.485;

(4) offenders who are committed to the commissioner's custody for an offense that requires registration under section 243.166;

(5) offenders who are the subject of a current arrest warrant or detainer;

(6) offenders who have fewer than 180 days remaining until their supervised release date;

(7) offenders who have had disciplinary confinement time added to their sentence or who have been placed in segregation, unless 90 days have elapsed from the imposition of the additional disciplinary confinement time or the last day of segregation;

(8) offenders who have received a suspended formal disciplinary sanction, unless the suspension has expired; and



(9) offenders whose governing sentence is for an offense from another state or the United States; ~~and~~

~~(10) offenders who have a medical condition included on the list of ineligible conditions described in paragraph (b).~~

~~(b) The commissioner of corrections shall develop a list of medical conditions that will disqualify an offender from participating in the challenge incarceration program. The commissioner shall submit the list and any changes to it to the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy and funding.~~

Sec. 11. Minnesota Statutes 2023 Supplement, section 244.21, subdivision 2, is amended to read:

Subd. 2. **Commissioner of corrections; report.** By ~~January 15~~ May 1 each year, the commissioner must report to the chairs of the legislative committees with jurisdiction over public safety policy and finance on ~~recommended methods of coordinating the exchange of~~ information collected on individuals on probation under subdivision 1:

~~(1) between probation service providers; and~~

~~(2) between probation service providers and the Department of Corrections.~~

Sec. 12. Minnesota Statutes 2023 Supplement, section 244.41, is amended by adding a subdivision to read:

Subd. 3a. **Conditional release.** As used in sections 244.40 to 244.51, "conditional release" has the meaning given in section 609.02, subdivision 18.

Sec. 13. Minnesota Statutes 2023 Supplement, section 244.41, subdivision 6, is amended to read:

Subd. 6. **Earned compliance credit.** "Earned compliance credit" means a one-month reduction from the period during active supervision of the supervised release term for every two months that a supervised individual exhibits compliance with the conditions and goals of the individual's supervision plan. Earned compliance credit also applies to a conditional release term.

Sec. 14. Minnesota Statutes 2023 Supplement, section 244.41, subdivision 14, is amended to read:

Subd. 14. **Supervision abatement status.** "Supervision abatement status" means an end to active correctional supervision of a supervised individual without effect on the legal expiration date of the individual's executed sentence less any earned incentive release credit or the expiration date of a conditional release term.

Sec. 15. Minnesota Statutes 2023 Supplement, section 244.46, subdivision 1, is amended to read:

Subdivision 1. **Adopting policy for earned compliance credit; supervision abatement status.** (a) The commissioner must adopt a policy providing for earned compliance credit.

(b) Except as otherwise provided in the act, once the time served on active supervision plus earned compliance credits equals the total length of the supervised release term, the commissioner must place the individual on supervision abatement status for the remainder of the supervised release term and, if applicable, the conditional release term.

Sec. 16. Minnesota Statutes 2023 Supplement, section 244.46, subdivision 2, is amended to read:

Subd. 2. **Violating conditions of release; commissioner action.** If an individual violates the conditions of release while on supervision abatement status, the commissioner may:

(1) return the individual to active supervision for the remainder of the supervised release or conditional release term, with or without modifying the conditions of release; or

(2) revoke the individual's supervised release or conditional release in accordance with section 244.05, subdivision 3.

Sec. 17. Minnesota Statutes 2023 Supplement, section 244.50, subdivision 4, is amended to read:

Subd. 4. **Distributing reallocation funds.** The commissioner must distribute funds as follows:

(1) ~~25~~ 50 percent must be transferred to the Office of Justice Programs in the Department of Public Safety for crime victim services;

(2) 25 percent must be transferred to the Community Corrections Act subsidy appropriation and to the Department of Corrections for supervised release and intensive supervision services, based upon a three-year average of the release jurisdiction of supervised releasees and intensive supervised releasees across the state; and

(3) 25 percent must be transferred to the Department of Corrections for:

(i) grants to develop and invest in community-based services that support the identified needs of correctionally involved individuals or individuals at risk of becoming involved in the criminal justice system; and

(ii) sustaining the operation of evidence-based programming in state and local correctional facilities; ~~and~~.

~~(4) 25 percent must be transferred to the general fund.~~

Sec. 18. **[244.60] SUPERVISED RELEASE EMPLOYMENT REQUIREMENT; POSTSECONDARY EDUCATION.**

If the commissioner of corrections imposes a requirement on a person placed on supervised release that the person work or be employed, the commissioner shall provide that enrollment and participation in postsecondary education or a combination of work and education satisfies this requirement.

Sec. 19. Minnesota Statutes 2023 Supplement, section 401.01, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "CCA jurisdiction" means a county or Tribal Nation that participates in the Community Corrections Act, the subsidy program under this chapter.

(c) "Commissioner" means the commissioner of corrections or a designee.

(d) "Conditional release" means:

(1) parole, supervised release, or conditional release as authorized by section 609.3455, subdivision 6, 7, or 8; Minnesota Statutes 2004, section 609.108, subdivision 6; or Minnesota Statutes 2004, section 609.109, subdivision 7;

(2) work release as authorized by sections 241.26, 244.065, and 631.425; and

(3) probation, furlough, and any other authorized temporary release from a correctional facility.

(e) "Detain" means to take into actual custody, including custody within a local correctional facility.

(f) "Joint board" means the board under section 471.59.

(g) "Local advisory board" means:

(1) for a CCA jurisdiction, a corrections advisory board as defined in section 401.08;

(2) for a non-CCA jurisdiction other than a Tribal Nation, a human services advisory board as defined in section 402.02, or advisory committee or task force as defined in section 402.03; or

(3) for a Tribal Nation that is a non-CCA jurisdiction, a board with membership as determined by the Tribal Nation.

~~(g)~~ (h) "Non-CCA jurisdiction" means a county or Tribal Nation that is not participating in the Community Corrections Act subsidy program and provides or receives probation services according to section 244.19.

~~(h)~~ (i) "Probation officer" means a county or Tribal probation officer under a CCA or non-CCA jurisdiction appointed with the powers under section 244.19.

~~(i)~~ (j) "Release" means to release from actual custody.

~~(j)~~ (k) "Tribal Nation" means a federally recognized Tribal Nation within the boundaries of the state of Minnesota.

Sec. 20. Minnesota Statutes 2023 Supplement, section 401.10, subdivision 1, is amended to read:

Subdivision 1. **Community supervision funding formula.** (a) Beginning July 1, 2023, the community supervision subsidy paid to each county, the commissioner for supervision of non-CCA jurisdictions served by the Department of Corrections, and each applicable Tribal Nation under paragraph (e) equals the sum of:

(1) a base funding amount equal to \$150,000; and

(2) a community supervision formula equal to the sum of:

(i) for each individual with a felony sentence, a felony per diem rate of \$5.62 multiplied by the sum of the county's or Tribal Nation's adult felony population, adult supervised release and parole populations, and juvenile supervised release and parole populations as reported in the most recent probation survey published by the commissioner, multiplied by 365; and

(ii) for each individual sentenced for a gross misdemeanor or misdemeanor or under juvenile probation, the felony per diem rate of \$5.62 multiplied by 0.5 and then multiplied by the sum of the county's or Tribal Nation's gross misdemeanor, misdemeanor, and juvenile populations as reported in the most recent probation survey published by the commissioner, multiplied by 365.

(b) For a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), the base funding amount must be shared equally between the jurisdiction and the commissioner for the provision of felony supervision under section 244.20.

(c) If in any year the total amount appropriated for the purpose of this section is more than or less than the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations, the sum of each county's and applicable Tribal Nation's base funding plus community supervision formula funding is adjusted by the ratio of amounts appropriated for this purpose divided by the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations.

(d) If in any year the base funding plus the community supervision formula amount based on what was appropriated in fiscal year 2024 is less than the funding paid to the county in fiscal year 2023, the difference is added to the community supervision formula amount for that county. A county is not eligible for additional funding under this paragraph unless the base funding plus community supervision formula results in an increase in funding for the county based on what was appropriated in the previous fiscal year. This paragraph expires June 30, 2029.

(e) For each Tribal Nation, a funding amount of \$250,000 is allotted annually to purchase probation services or probation-related services, including contracted services, but a Tribal Nation that becomes a CCA jurisdiction or a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), is an applicable Tribal Nation under paragraphs (a) to (c) and:

(1) has the Tribal Nation's funding amount of \$250,000 transferred to the total community supervision subsidy amount appropriated for the purposes of this section; and

(2) is allotted a base funding amount equal to \$150,000 plus an amount as determined according to the community supervision formula under paragraph (a), clause (2).

(f) Minnesota Rehabilitation and Reinvestment Act savings under section 244.50, subdivision 4, clause (2), are appropriated to each CCA jurisdiction and non-CCA jurisdiction served by the Department of Corrections by dividing the three-year average of the number of individuals on supervised release and intensive supervised release within the jurisdiction by the three-year average of the total number of individuals under supervised release and intensive supervised release statewide, using the numbers reported annually in the Probation Survey report.

Sec. 21. Minnesota Statutes 2022, section 609.02, is amended by adding a subdivision to read:

Subd. 18. **Conditional release.** "Conditional release" means a court-ordered mandatory term of community supervision as prescribed by sections 169A.276, subdivision 1, paragraph (d) (first-degree DWI); 243.166, subdivision 5a (violating predatory offender registration requirements); 609.2231, subdivision 3a, paragraph (d) (assault on secure treatment facility staff); 609.3455, subdivisions 6 and 7 (criminal sexual conduct); 617.246, subdivision 7 (use of minors in sexual performances); and 617.247, subdivision 9 (possession of child pornography). Conditional release is in addition to any applicable supervised release term.

Sec. 22. Minnesota Statutes 2023 Supplement, section 609.133, subdivision 4, is amended to read:

Subd. 4. **Petition; contents; fee.** (a) A prosecutor's petition for sentence adjustment shall be filed in the district court where the individual was convicted and include the following:

(1) the full name of the individual on whose behalf the petition is being brought and, to the extent possible, all other legal names or aliases by which the individual has been known at any time;

(2) the individual's date of birth;

(3) the individual's address;

(4) a brief statement of the reason the prosecutor is seeking a sentence adjustment for the individual;

(5) the details of the offense for which an adjustment is sought, including:

(i) the date and jurisdiction of the occurrence;

(ii) either the names of any victims or that there were no identifiable victims;

(iii) whether there is a current order for protection, restraining order, or other no contact order prohibiting the individual from contacting the victims or whether there has ever been a prior order for protection or restraining order prohibiting the individual from contacting the victims;

(iv) the court file number; and

(v) the date of conviction;

(6) what steps the individual has taken since the time of the offense toward personal rehabilitation, including treatment, work, good conduct within correctional facilities, or other personal history that demonstrates rehabilitation;

(7) the individual's criminal conviction record indicating all convictions for misdemeanors, gross misdemeanors, or felonies in this state, and for all comparable convictions in any other state, federal court, or foreign country, whether the convictions occurred before or after the conviction for which an adjustment is sought;

(8) the individual's criminal charges record indicating all prior and pending criminal charges against the individual in this state or another jurisdiction, including all criminal charges that have been continued for dismissal, stayed for adjudication, or were the subject of pretrial diversion; and

(9) to the extent known, all prior requests by the individual, whether for the present offense or for any other offenses in this state or any other state or federal court, for pardon, return of arrest records, or expungement or sealing of a criminal record, whether granted or not, and all stays of adjudication or imposition of sentence involving the petitioner.

(b) The filing fee for a petition brought under this section shall be waived.

(c) Notwithstanding chapter 13 or any other statute related to the classification of government data, a supervising agent or the commissioner of corrections may provide private or confidential data to a prosecutor for purposes of a petition for sentence adjustment.

Sec. 23. Minnesota Statutes 2023 Supplement, section 609A.06, subdivision 2, is amended to read:

Subd. 2. **Executive director.** (a) The governor must appoint the initial executive director of the Cannabis Expungement Board. The executive director must be knowledgeable about expungement law and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee. Any vacancy shall be filled by the board.

~~(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.~~

~~(e)~~ (b) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the board's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the classified service.

~~(d)~~ (c) At the direction of the board, the executive director may enter into interagency agreements with the Department of Corrections or any other agency to obtain material and personnel support necessary to carry out the board's mandates, policies, activities, and objectives.

Sec. 24. Minnesota Statutes 2022, section 611A.06, subdivision 3a, is amended to read:

Subd. 3a. **Offender location.** ~~(a) Upon the victim's written or electronic request and if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), The commissioner of corrections or the commissioner's designee shall~~ may disclose to the victim of an offender ~~convicted of a qualified domestic violence related offense as defined in section 609.02, subdivision 16,~~ notification of the city and five-digit zip code of the offender's residency upon release from a Department of Corrections facility, unless:

~~(1) the offender is not under correctional supervision at the time of the victim's request;~~

~~(2) the commissioner or the commissioner's designee does not have the city or zip code; or~~

~~(3) the commissioner or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.~~

~~(b) All identifying information regarding the victim including, but not limited to, the notification provided by the commissioner or the commissioner's designee is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.~~

~~(c) This subdivision applies only where the offender is serving a prison term for a qualified domestic violence related offense committed against the victim seeking notification.~~

Sec. 25. Minnesota Statutes 2023 Supplement, section 626.8516, subdivision 6, is amended to read:

Subd. 6. **Education providers; sites.** (a) No later than October 1, 2023, the Board of Trustees of the Minnesota State Colleges and Universities shall designate at least two regionally diverse system campuses to provide the required intensive comprehensive law enforcement education and skills training to eligible peace officer candidates.

(b) In addition to the campuses designated under paragraph (a), the commissioner may designate private, nonprofit postsecondary institutions to provide the required intensive comprehensive law enforcement education and skills training to eligible peace officer candidates.

(c) Effective July 1, 2025, the Board of Regents of the University of Minnesota may request that the commissioner designate one or more campuses to provide intensive comprehensive law enforcement education and skills training to eligible peace officer candidates. Upon such a request, the commissioner may designate at least one of the requested campuses.

Sec. 26. Minnesota Statutes 2023 Supplement, section 629.292, subdivision 2, is amended to read:

Subd. 2. **Procedure on receipt of request.** The request shall be delivered to the commissioner of corrections or other official designated by the commissioner having custody of the prisoner, who shall forthwith:

(1) certify the term of commitment under which the prisoner is being held, the time already served on the sentence, the time remaining to be served, the good time earned, the time of parole eligibility of the prisoner, and any decisions of the commissioner of corrections relating to the prisoner; and

(2) send by registered or certified mail, return receipt requested, one copy of the request and certificate to the court and one copy to the prosecuting attorney to whom it is addressed; ~~and, or~~

~~(3) send by e-filing and e-serving the paperwork, one copy of the request to the court and one copy to the prosecuting attorney to whom it is addressed.~~

Sec. 27. Minnesota Statutes 2023 Supplement, section 638.09, subdivision 5, is amended to read:

Subd. 5. **Executive director.** (a) The board must appoint a commission executive director knowledgeable about clemency and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee.

~~(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.~~

~~(c)~~ (b) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the commission's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the unclassified service at the pleasure of the executive director.

Sec. 28. Laws 2023, chapter 52, article 8, section 20, subdivision 3, is amended to read:

Subd. 3. **Department administrative assistance.** Beginning August 1, 2023, through ~~February 29, 2024~~ June 30, 2024, the Department of Corrections must provide the Clemency Review Commission with administrative assistance, technical assistance, office space, and other assistance necessary for the commission to carry out its duties under sections 4 to 20.

**EFFECTIVE DATE.** This section is effective retroactively from February 28, 2024.

Sec. 29. Laws 2023, chapter 63, article 5, section 5, is amended to read:

Sec. 5. **TRANSITION PERIOD.**

Beginning August 1, 2023, through ~~March 1, 2024~~ August 1, 2024, the Department of Corrections must provide the Cannabis Expungement Board with administrative assistance, technical assistance, office space, and other assistance necessary for the board to carry out its duties under Minnesota Statutes, section 609A.06. The Cannabis Expungement Board shall reimburse the Department of Corrections for the services and space provided.

**EFFECTIVE DATE.** This section is effective retroactively from February 28, 2024.

Sec. 30. **INCARCERATED STUDENT AID BORROWERS.**

Subdivision 1. **Identification of borrowers.** The commissioner of corrections shall enter into a data-sharing agreement with the commissioner of higher education to identify incarcerated persons who are federal student aid borrowers as identified by the Free Application for Federal Student Aid (FAFSA). For the purposes of this section, student loan data of any incarcerated person who voluntarily provides their federal loan status is private data as defined by Minnesota Statutes, section 13.02, subdivision 12.

Subd. 2. **Plan.** The commissioner of corrections, in consultation with the commissioner of the Office of Higher Education, shall develop a plan by December 1, 2024, to assist incarcerated persons in enrolling in a federal income-driven repayment plan in which there are no monthly payments or accrual of interest for borrowers with earnings below the federal poverty guidelines, to the extent such payment plans are available, and submit the plan to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education and corrections.

Subd. 3. **Sunset.** This section expires June 30, 2027, or when the Department of Corrections establishes a system for collecting this information upon intake, whichever occurs first.

Sec. 31. **FRESH START PROGRAM.**

(a) The commissioner of corrections shall provide outreach in each correctional facility in Minnesota to apprise incarcerated persons about the federal Fresh Start program and encourage eligible persons to enroll in the program. The commissioner shall work with a student loan debt counseling grantee under Minnesota Statutes, section 136A.1788, to assist Fresh Start applicants to enroll in an income-driven repayment plan when the borrower is in repayment status.

(b) The commissioner shall report by January 15, 2025, to the chairs and ranking minority members of the legislative committees with jurisdiction over corrections and higher education. The report must include a summary of the outreach efforts in each correctional facility in Minnesota to enroll eligible incarcerated persons in the federal Fresh Start program, the efforts to assist Fresh Start applicants in enrolling in income-driven repayment plans, the number of incarcerated persons served by the student loan debt counseling grantee referenced under paragraph (a), and the number of contacts by incarcerated persons to the United States Department of Education about enrolling in the federal Fresh Start program in the previous year.

(c) This section expires January 15, 2025.

Sec. 32. **REPEALER.**

Minnesota Statutes 2022, section 241.265, is repealed.

ARTICLE 9  
RESTORATIVE PRACTICES RESTITUTION PROGRAM

Section 1. Minnesota Statutes 2023 Supplement, section 299A.95, subdivision 5, is amended to read:

Subd. 5. **Grants.** (a) Within available appropriations, the director shall award grants to establish and support restorative practices initiatives and for the restitution program described in section 299A.955. An approved applicant must receive a grant of up to \$500,000 each year.

(b) On an annual basis, the Office of Restorative Practices shall establish a minimum number of applications that must be received during the application process. If the minimum number of applications is not received, the office must reopen the application process.

(c) Grants may be awarded to private and public nonprofit agencies; local units of government, including cities, counties, and townships; local educational agencies; and Tribal governments. A restorative practices advisory committee may support multiple entities applying for grants based on community needs, the number of youth and families in the jurisdiction, and the number of restorative practices available to the community. Budgets supported by grant funds can include contracts with partner agencies.

(d) Applications must include the following:

- (1) a list of willing restorative practices advisory committee members;
- (2) letters of support from potential restorative practices advisory committee members;
- (3) a description of the planning process that includes:
  - (i) a description of the origins of the initiative, including how the community provided input; and



(ii) an estimated number of participants to be served; and

(4) a formal document containing a project description that outlines the proposed goals, activities, and outcomes of the initiative including, at a minimum:

(i) a description of how the initiative meets the minimum eligibility requirements of the grant;

(ii) the roles and responsibilities of key staff assigned to the initiative;

(iii) identification of any key partners, including a summary of the roles and responsibilities of those partners;

(iv) a description of how volunteers and other community members are engaged in the initiative; and

(v) a plan for evaluation and data collection.

(e) In determining the appropriate amount of each grant, the Office of Restorative Practices shall consider the number of individuals likely to be served by the local restorative practices initiative.

**Sec. 2. [299A.955] RESTORATIVE PRACTICES; RESTITUTION PROGRAM.**

**Subdivision 1. Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Juvenile" has the same meaning as given to the term "child" in section 260B.007, subdivision 3.

(c) "Juvenile offense" means a violation of local, state, Tribal, or federal law, other than a juvenile petty offense or a major traffic offense, committed by a juvenile within the boundaries of the state of Minnesota.

(d) "Juvenile petty offense" has the meaning given in section 260B.007, subdivision 16.

(e) "Major traffic offense" has the meaning given in section 260B.225, subdivision 1, paragraph (b).

(f) "Victim" has the meaning given in section 611A.01, paragraph (b).

**Subd. 2. Establishment; purpose.** The Office of Restorative Practices must establish a restorative practices restitution grant program. Restorative practices restitution grants must be used to reimburse victims for economic losses or other harm resulting from an act that would constitute a juvenile offense, juvenile petty offense, or major traffic offense committed by a juvenile if the juvenile participates in a restorative process to address the harm.

**Subd. 3. Eligibility; application; amount.** (a) A restorative practices initiative is eligible for a grant under this section in any fiscal year in which the Office of Restorative Practices awards the restorative practices initiative a grant under section 299A.95, subdivision 5. A restorative practices initiative may submit an application under this section before the Office of Restorative Practices acts on an application submitted pursuant to section 299A.95, subdivision 5.

(b) Applicants must submit an application in the form and manner established by the Office of Restorative Practices. Applications must include a letter of support from the restorative practices advisory committee in the jurisdiction where the applicant will operate or, if the restorative practices advisory committee has not been established, at least two letters of support from potential restorative practices advisory committee members, one of whom must be a member described in section 299A.95, subdivision 6, paragraph (a), clause (1), (2), or (5).

(c) A grant issued under this section may be in an amount of up to 15 percent of the amount awarded to the restorative practices initiative under section 299A.95, subdivision 5.

Subd. 4. **Reimbursement procedures.** (a) A grant recipient must establish policies and procedures to verify that a person is a victim of an act that would constitute a juvenile offense, juvenile petty offense, or major traffic offense committed by a juvenile and the amount of economic loss or other harm sustained by the victim.

(b) A grant recipient must establish policies and procedures for the payment of reimbursement to victims and to record the amount paid. Payment may be made directly to a victim or, if applicable, to a court administrator or probation officer.

(c) Policies and procedures established under this subdivision must be approved by the restorative practices advisory committee in the jurisdiction where the restorative practices initiative operates.

Subd. 5. **Data practices.** (a) Personal history information and other information collected, used, and maintained by a restorative practices initiative operating a restorative practices restitution program under this section are private data on individuals as defined in section 13.02, subdivision 12, and the grantee shall maintain the data in accordance with the provisions of chapter 13, if:

(1) the identity and location of any crime victim may be determined from the data; or

(2) the identity and location of any juvenile who committed an act that would constitute a juvenile offense, juvenile petty offense, or major traffic offense committed by a juvenile may be determined from the data.

(b) Personal history data and other information collected, used, and maintained by the Office of Restorative Practices are private data on individuals as defined in section 13.02, subdivision 12, if:

(1) the identity and location of any crime victim may be determined from the data; or

(2) the identity and location of any juvenile who committed an act that would constitute a juvenile offense, juvenile petty offense, or major traffic offense committed by a juvenile may be determined from the data.

(c) The Office of Restorative Practices must establish written procedures to ensure that only individuals authorized by law may enter, update, or access data classified as nonpublic or private data on individuals. An authorized individual's ability to enter, update, or access not public data must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail.

Sec. 3. Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended by Laws 2023, chapter 69, section 12, is amended to read:

Subd. 8. <b>Office of Justice Programs</b>	94,758,000	80,434,000
Appropriations by Fund		
General	94,662,000	80,338,000
State Government		
Special Revenue	96,000	96,000

**(a) Domestic and Sexual Violence Housing**

\$1,500,000 each year is to establish a Domestic Violence Housing First grant program to provide resources for survivors of violence to access safe and stable housing and for staff to provide mobile advocacy and expertise in housing resources in their community and a Minnesota Domestic and Sexual Violence Transitional Housing program to develop and support medium to long term transitional housing for survivors of domestic and sexual violence with supportive services. The base for this appropriation is \$1,000,000 beginning in fiscal year 2026.

**(b) Federal Victims of Crime Funding Gap**

\$11,000,000 each year is to fund services for victims of domestic violence, sexual assault, child abuse, and other crimes. This is a onetime appropriation.

**(c) Office for Missing and Murdered Black Women and Girls**

\$1,248,000 each year is to establish and maintain the Minnesota Office for Missing and Murdered Black Women and Girls.

**(d) Increased Staffing**

\$667,000 the first year and \$1,334,000 the second year are to increase staffing in the Office of Justice Programs for grant monitoring and compliance; provide training and technical assistance to grantees and potential grantees; conduct community outreach and engagement to improve the experiences and outcomes of applicants, grant recipients, and crime victims throughout Minnesota; expand the Minnesota Statistical Analysis Center; and increase staffing for the crime victim reimbursement program and the Crime Victim Justice Unit.

**(e) Office of Restorative Practices**

\$500,000 each year is to establish and maintain the Office of Restorative Practices.

**(f) Crossover and Dual-Status Youth Model Grants**

\$1,000,000 each year is to provide grants to local units of government to initiate or expand crossover youth practices model and dual-status youth programs that provide services for youth who are involved with or at risk of becoming involved with both the child welfare and juvenile justice systems, in accordance with the Robert F. Kennedy National Resource Center for Juvenile Justice model. This is a onetime appropriation.

**(g) Restorative Practices Initiatives Grants**

\$4,000,000 each year is for grants to establish and support restorative practices initiatives pursuant to Minnesota Statutes, section 299A.95, subdivision 6, and for a restitution grant program under Minnesota Statutes, section 299A.955. This appropriation is available until June 30, 2026. The base for this appropriation is \$2,500,000 beginning in fiscal year 2026.

**(h) Ramsey County Youth Treatment Homes Acquisition and Betterment**

\$5,000,000 the first year is for a grant to Ramsey County to establish, with input from community stakeholders, including impacted youth and families, up to seven intensive trauma-informed therapeutic treatment homes in Ramsey County that are licensed by the Department of Human Services, that are culturally specific, that are community-based, and that can be secured. These residential spaces must provide intensive treatment and intentional healing for youth as ordered by the court as part of the disposition of a case in juvenile court.

**(i) Ramsey County Violence Prevention**

\$5,000,000 the first year is for a grant to Ramsey County to award grants to develop new and further enhance existing community-based organizational support through violence prevention and community wellness grants. Grantees must use the money to create family support groups and resources to support families during the time a young person is placed out of home following a juvenile delinquency adjudication and support the family through the period of postplacement reentry; create community-based respite options for conflict or crisis de-escalation to prevent incarceration or further systems involvement for families; or establish additional meaningful employment opportunities for systems-involved youth. This appropriation is available through June 30, 2027.

**(j) Office for Missing and Murdered Indigenous Relatives**

\$274,000 each year is for increased staff and operating costs of the Office for Missing and Murdered Indigenous Relatives, the Missing and Murdered Indigenous Relatives Advisory Board, and the Gaagige-Mikwendaagoziwag reward advisory group.

**(k) Youth Intervention Programs**

\$3,525,000 the first year and \$3,526,000 the second year are for youth intervention programs under Minnesota Statutes, section 299A.73. The base for this appropriation is \$3,526,000 in fiscal year 2026 and \$3,525,000 in fiscal year 2027.

**(l) Community Crime Intervention and Prevention Grants**

\$750,000 each year is for community crime intervention and prevention program grants, authorized under Minnesota Statutes, section 299A.296. This is a onetime appropriation.

**(m) Resources for Victims of Crime**

\$1,000,000 each year is for general crime victim grants to meet the needs of victims of crime not covered by domestic violence, sexual assault, or child abuse services. This is a onetime appropriation.

**(n) Prosecutor Training**

\$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. All training funded with grant proceeds must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

The Minnesota County Attorneys Association must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training. The report is due by February 15, 2025. The report may include trainings scheduled to be completed after the date of submission with an estimate of expected participants.

**(o) Minnesota Heals**

\$500,000 each year is for the Minnesota Heals grant program. This is a onetime appropriation.

**(p) Sexual Assault Exam Costs**

\$3,967,000 the first year and \$3,767,000 the second year are to reimburse qualified health care providers for the expenses associated with medical examinations administered to victims of criminal sexual conduct as required under Minnesota Statutes, section 609.35, and for costs to administer the program. The base for this appropriation is \$3,771,000 in fiscal year 2026 and \$3,776,000 in fiscal year 2027.

**(q) First Responder Mental Health Curriculum**

\$75,000 each year is for a grant to the Adler graduate school. The grantee must use the grant to develop a curriculum for a 24-week certificate to train licensed therapists to understand the nuances, culture, and stressors of the work environments of first responders to allow those therapists to provide effective treatment to first responders in distress. The grantee must collaborate with first responders who are familiar with the psychological, cultural, and professional issues of their field to develop the curriculum and promote it upon completion.

The grantee may provide the program online.

The grantee must seek to recruit additional participants from outside the 11-county metropolitan area.

The grantee must create a resource directory to provide law enforcement agencies with names of counselors who complete the program and other resources to support law enforcement professionals with overall wellness. The grantee shall collaborate with the Department of Public Safety and law enforcement organizations to promote the directory. This is a onetime appropriation.

**(r) Pathways to Policing**

\$400,000 each year is for reimbursement grants to state and local law enforcement agencies that operate pathway to policing programs. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training program participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner. This is a onetime appropriation.

**(s) Direct Assistance to Crime Victim Survivors**

\$5,000,000 each year is to provide grants for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. The office shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, when allocating funds.

**(t) Racially Diverse Youth**

\$250,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. Of this amount, \$125,000 each year is to address this issue in the Rochester area and \$125,000 each year is to address this issue in the St. Cloud area. A grant recipient shall establish and operate a pilot program connected to shelter services to engage in community intervention outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program must specifically address the high number of racially diverse youth that enter shelters in the regions. This is a onetime appropriation.

**(u) Violence Prevention Project Research Center**

\$500,000 each year is for a grant to the Violence Prevention Project Research Center, operating as a 501(c)(3) organization, for research focused on reducing violence in society that uses data and analysis to improve criminal justice-related policy and practice in Minnesota. Research must place an emphasis on issues related to deaths and injuries involving firearms. This is a onetime appropriation.

Beginning January 15, 2025, the Violence Prevention Project Research Center must submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on its work and findings. The report must include a description of the data reviewed, an analysis of that data, and recommendations to improve criminal justice-related policy and practice in Minnesota with specific recommendations to address deaths and injuries involving firearms.

**(v) Report on Approaches to Address Illicit Drug Use in Minnesota**

\$118,000 each year is to enter into an agreement with Rise Research LLC for a study and set of reports on illicit drug use in Minnesota describing current responses to that use, reviewing alternative approaches utilized in other jurisdictions, and making policy and funding recommendations for a holistic and effective response to illicit drug use and the illicit drug trade. The agreement must establish a budget and schedule with clear deliverables. This appropriation is onetime.

The study must include a review of current policies, practices, and funding; identification of alternative approaches utilized effectively in other jurisdictions; and policy and funding recommendations for a response to illicit drug use and the illicit

drug trade that reduces and, where possible, prevents harm and expands individual and community health, safety, and autonomy. Recommendations must consider impacts on public safety, racial equity, accessibility of health and ancillary supportive social services, and the intersections between drug policy and mental health, housing and homelessness, overdose and infectious disease, child welfare, and employment.

Rise Research may subcontract and coordinate with other organizations or individuals to conduct research, provide analysis, and prepare the reports required by this section.

Rise Research shall submit reports to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy, human services finance and policy, health finance and policy, and judiciary finance and policy. Rise Research shall submit an initial report by February 15, 2024, and a final report by March 1, 2025.

**(w) Legal Representation for Children**

\$150,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. These appropriations are in addition to any other appropriations for the legal representation of children. This appropriation is onetime.

**(x) Pretrial Release Study and Report**

\$250,000 each year are for a grant to the Minnesota Justice Research Center to study and report on pretrial release practices in Minnesota and other jurisdictions, including but not limited to the use of bail as a condition of pretrial release. This appropriation is onetime.

**(y) Intensive Comprehensive Peace Officer Education and Training Program**

\$5,000,000 the first year is to implement the intensive comprehensive peace officer education and training program described in Minnesota Statutes, section 626.8516. This appropriation is available through June 30, 2027.

**(z) Youth Services Office**

\$250,000 each year is to operate the Youth Services Office.

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



ARTICLE 10  
PROTECTIVE ORDERS

Section 1. Minnesota Statutes 2022, section 518B.01, subdivision 2, is amended to read:

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

(a) "Domestic abuse" 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; sexual extortion within the meaning of section 609.3458; or interference with an emergency call within the meaning of section 609.78, subdivision 2.

(b) "Family or household members" means:

(1) spouses and former spouses;

(2) parents and children;

(3) persons related by blood;

(4) persons who are presently 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 any time; and

(7) persons involved in a significant romantic or sexual relationship.

Issuance of an order for protection on the ground in clause (6) does not affect a determination of paternity under sections 257.51 to 257.74. In determining whether persons are or have been involved in a significant romantic or sexual relationship under clause (7), the court shall consider the length of time of the relationship; type of relationship; frequency of interaction between the parties; and, if the relationship has terminated, length of time since the termination.

(c) "Qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16.

(d) "Custodian" means any person other than the petitioner or respondent who is under a legal obligation to provide care and support for a minor child of a petitioner or who is in fact providing care and support for a minor child of a petitioner. Custodian does not include any person caring for a minor child if the petitioner's parental rights have been terminated.

Sec. 2. Minnesota Statutes 2022, section 518B.01, subdivision 3a, is amended to read:

Subd. 3a. **Filing fee.** The filing fees for an order for protection under this section are waived for the petitioner and respondent. ~~The court administrator, the sheriff of any county in this state, and other law enforcement and corrections officers shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.~~

Sec. 3. Minnesota Statutes 2022, section 518B.01, subdivision 3b, is amended to read:

Subd. 3b. **Information on petitioner's location or residence.** (a) Upon the petitioner's request, information maintained by the court regarding the petitioner's location or residence is not accessible to the public and may be disclosed only to court personnel or law enforcement for purposes of service of process, conducting an investigation, or enforcing an order.

(b) Upon request of the petitioner or a custodian of the petitioner's minor children, information maintained by the court regarding the location or residence of the petitioner's minor children is not accessible to the public and may be disclosed only to court personnel or law enforcement for purposes of service of process, conducting an investigation, or enforcing an order. If any custodian is a program participant as defined in section 5B.02, paragraph (g), the protections, limitations, and requirements in chapter 5B apply and information maintained by the court regarding the location or residence of the petitioner's minor children is not accessible to the public.

Sec. 4. Minnesota Statutes 2022, section 518B.01, subdivision 4, is amended to read:

Subd. 4. **Order for protection.** There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or by a family or household member, a guardian as defined in section 524.1-201, clause (27), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older on behalf of minor family or household members. A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, or a person with whom the minor has a child in common, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether the petitioner has ever had an order for protection in effect against the respondent.

(d) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The court administrator shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(e) A petition for relief must state whether the petitioner has any minor children and, if so, must provide the name of any custodian of the minor children and must identify the location or residence of the custodian. If any custodian is a program participant as defined in section 5B.02, paragraph (g), the location or residence of the custodian is the address designated by the secretary of state as the address of the program participant. A petition must not be rejected or denied for failure to identify any custodian.

~~(e)~~ (f) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

~~(f)~~ (g) The court shall advise a petitioner under paragraph ~~(e)~~ (f) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

~~(g)~~ (h) The court shall advise a petitioner under paragraph ~~(e)~~ (f) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

~~(h)~~ (i) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

~~(i)~~ (j) The court shall advise the petitioner of the right to request a hearing under subdivision 7, paragraph (c). If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner and the custodian of any of the petitioner's minor children by mail at least five days before the hearing.

~~(j)~~ (k) The court shall advise the petitioner of the right to request supervised parenting time, as provided in section 518.175, subdivision 1a.

Sec. 5. Minnesota Statutes 2022, section 518B.01, subdivision 5, is amended to read:

Subd. 5. **Hearing on application; notice.** (a) Upon receipt of the petition, the court shall order a hearing which shall be held not later than 14 days from the date of the order for hearing unless an ex parte order is issued.

(b) If an ex parte order has been issued under subdivision 7 and the petitioner seeks only the relief under subdivision 7, paragraph (a), a hearing is not required unless:

(1) the court declines to order the requested relief; or

(2) one of the parties requests a hearing.

(c) If an ex parte order has been issued under subdivision 7 and the petitioner seeks relief beyond that specified in subdivision 7, paragraph (a), or if the court declines to order relief requested by the petitioner, a hearing must be held within seven days. Personal service of the ex parte order may be made upon the respondent and any custodian at any time up to 12 hours prior to the time set for the hearing, provided that the respondent at the hearing may request a continuance of up to five days if served fewer than five days prior to the hearing which continuance shall be granted unless there are compelling reasons not to.

(d) If an ex parte order has been issued only granting relief under subdivision 7, paragraph (a), and the respondent requests a hearing, the hearing shall be held within ten days of the court's receipt of the respondent's request. Service of the notice of hearing must be made upon the petitioner and any custodian not less than five days prior to the hearing. The court shall serve the notice of hearing upon the petitioner and any custodian by mail in the manner provided in the Rules of Civil Procedure for pleadings subsequent to a complaint and motions and shall also

mail notice of the date and time of the hearing to the respondent. In the event that service cannot be completed in time to give the respondent ~~or~~ petitioner, or any custodian the minimum notice required under this subdivision, the court may set a new hearing date no more than five days later.

(e) If for good cause shown either party is unable to proceed at the initial hearing and requests a continuance and the court finds that a continuance is appropriate, the hearing may be continued. Unless otherwise agreed by the parties and approved by the court, the continuance shall be for no more than five days. If the court grants the requested continuance, the court shall also issue a written order continuing all provisions of the ex parte order pending the issuance of an order after the hearing.

(f) Notwithstanding the preceding provisions of this subdivision, service on the respondent may be made by one week published notice, as provided under section 645.11, provided the petitioner files with the court an affidavit stating that an attempt at personal service made by a sheriff or other law enforcement or corrections officer was unsuccessful because the respondent is avoiding service by concealment or otherwise, and that a copy of the petition and notice of hearing has been mailed to the respondent at the respondent's residence or that the residence is not known to the petitioner. Service under this paragraph is complete seven days after publication. The court shall set a new hearing date if necessary to allow the respondent the five-day minimum notice required under paragraph (d).

Sec. 6. Minnesota Statutes 2022, section 518B.01, subdivision 6a, is amended to read:

Subd. 6a. **Subsequent orders and extensions.** (a) Upon application, notice to all parties, notice to any custodian, and hearing, the court may extend the relief granted in an existing order for protection or, if a petitioner's order for protection is no longer in effect when an application for subsequent relief is made, grant a new order. If the petitioner seeks only the relief under subdivision 7, paragraph (a), a hearing is not required unless the court declines to order the requested relief or the respondent requests a hearing. If a hearing is required, subdivisions 5 and 7 apply to service of the application, notice to the parties and any custodian, and time for the hearing.

(b) The court may extend the terms of an existing order or, if an order is no longer in effect, grant a new order upon a showing that:

- (1) the respondent has violated a prior or existing order for protection;
- (2) the petitioner is reasonably in fear of physical harm from the respondent;
- (3) the respondent has engaged in the act of harassment within the meaning of section 609.749, subdivision 2; or
- (4) the respondent is incarcerated and about to be released, or has recently been released from incarceration.

A petitioner does not need to show that physical harm is imminent to obtain an extension or a subsequent order under this subdivision.

(c) Relief granted by the order for protection may be for a period of up to 50 years, if the court finds:

- (1) the respondent has violated a prior or existing order for protection on two or more occasions; or
- (2) the petitioner has had two or more orders for protection in effect against the same respondent.

An order issued under this paragraph may restrain the abusing party from committing acts of domestic abuse; or prohibit the abusing party from having any contact with the petitioner, whether in person, by telephone, mail or electronic mail or messaging, through electronic devices, through a third party, or by any other means.

Sec. 7. Minnesota Statutes 2022, section 518B.01, subdivision 7, is amended to read:

Subd. 7. **Ex parte order.** (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte order for protection and granting relief as the court deems proper, including an order:

- (1) restraining the abusing party from committing acts of domestic abuse;
- (2) excluding any party from the dwelling they share or from the residence of the other, including a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order, except by further order of the court;
- (3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment;
- (4) ordering the abusing party to have no contact with the petitioner whether in person, by telephone, mail, email, through electronic devices, or through a third party;
- (5) continuing all currently available insurance coverage without change in coverage or beneficiary designation;
- (6) directing the care, possession, or control of a pet or companion animal owned, possessed, or kept by a party or a child of a party; and
- (7) directing the respondent to refrain from physically abusing or injuring any pet or companion animal, without legal justification, known to be owned, possessed, kept, or held by either party or a minor child residing in the residence or household of either party as an indirect means of intentionally threatening the safety of such person.

(b) A finding by the court that there is a basis for issuing an ex parte order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(c) Subject to paragraph (d), an ex parte order for protection shall be effective for a fixed period set by the court, as provided in subdivision 6, paragraph (b), or until modified or vacated by the court pursuant to a hearing. When signed by a referee, the ex parte order becomes effective upon the referee's signature. Upon request, a hearing, as provided by this section, shall be set. Except as provided in paragraph (d), the respondent shall be personally served forthwith a copy of the ex parte order along with a copy of the petition and, if requested by the petitioner, notice of the date set for the hearing. Any custodian must be served with a copy of the ex parte order. Service on a custodian may be made by personal service or by certified mail. If the petitioner does not request a hearing, an order served on a respondent under this subdivision must include a notice advising the respondent of the right to request a hearing, must be accompanied by a form that can be used by the respondent to request a hearing and must include a conspicuous notice that a hearing will not be held unless requested by the respondent within five days of service of the order.

(d) Service of the ex parte order on the respondent may be made by published notice, as provided under subdivision 5, provided that the petitioner files the affidavit required under that subdivision. If personal service is not made or the affidavit is not filed within 14 days of issuance of the ex parte order, the order expires. If the petitioner does not request a hearing, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing and notice described in paragraph (c). Unless personal service is completed, if service by published notice is not completed within 28 days of issuance of the ex parte order, the order expires. Notice that an order has expired under this paragraph must be sent to any custodian.

(e) If the petitioner seeks relief under subdivision 6 other than the relief described in paragraph (a), the petitioner must request a hearing to obtain the additional relief.

(f) Nothing in this subdivision affects the right of a party to seek modification of an order under subdivision 11.

Sec. 8. Minnesota Statutes 2022, section 518B.01, subdivision 8, is amended to read:

Subd. 8. **Service; alternate service; publication; notice.** (a) The petition and any order issued under this section other than orders for dismissal shall be served on the respondent personally, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that an order for protection will be issued, the order may be served on the respondent electronically or by first class mail, as ordered by the court. Orders for dismissal may be served on the respondent personally or by certified mail. In lieu of personal service of an order for protection, a law enforcement officer may serve a ~~person~~ respondent with a short-form notification as provided in subdivision 8a. The petition and any order issued under this section may be served on any custodian personally or by certified mail.

(b) When service is made out of this state and in the United States, it may be proved by the affidavit of the person making the service. When service is made outside the United States, it may be proved by the affidavit of the person making the service, taken before and certified by any United States minister, charge d'affaires, commissioner, consul, or commercial agent, or other consular or diplomatic officer of the United States appointed to reside in the other country, including all deputies or other representatives of the officer authorized to perform their duties; or before an office authorized to administer an oath with the certificate of an officer of a court of record of the country in which the affidavit is taken as to the identity and authority of the officer taking the affidavit.

(c) If personal service cannot be made on a respondent, the court may order service of the petition and any order issued under this section by alternate means, or by publication, which publication must be made as in other actions. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons.

The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent.

The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

(d) A petition and any order issued under this section, including the short-form notification, must include a notice to the respondent that if an order for protection is issued to protect the petitioner or a child of the parties, upon request of the petitioner in any parenting time proceeding, the court shall consider the order for protection in making a decision regarding parenting time.

Sec. 9. Minnesota Statutes 2022, section 518B.01, subdivision 8a, is amended to read:

Subd. 8a. **Short-form notification.** (a) In lieu of personal service of an order for protection under subdivision 8, a law enforcement officer may serve a ~~person~~ respondent with a short-form notification. The short-form notification must include the following clauses: the respondent's name; the respondent's date of birth, if known; the

petitioner's name; the names of other protected parties; the date and county in which the ex parte order for protection or order for protection was filed; the court file number; the hearing date and time, if known; the conditions that apply to the respondent, either in checklist form or handwritten; and the name of the judge who signed the order.

The short-form notification must be in bold print in the following form:

The order for protection is now enforceable. You must report to your nearest sheriff office or county court to obtain a copy of the order for protection. You are subject to arrest and may be charged with a misdemeanor, gross misdemeanor, or felony if you violate any of the terms of the order for protection or this short-form notification.

(b) Upon verification of the identity of the respondent and the existence of an unserved order for protection against the respondent, a law enforcement officer may detain the respondent for a reasonable time necessary to complete and serve the short-form notification.

(c) When service is made by short-form notification, it may be proved by the affidavit of the law enforcement officer making the service.

(d) For service under this section only, service upon an individual may occur at any time, including Sundays, and legal holidays.

(e) The superintendent of the Bureau of Criminal Apprehension shall provide the short form to law enforcement agencies.

(f) This section does not apply to service of an order for protection on any custodian.

Sec. 10. Minnesota Statutes 2022, section 518B.01, subdivision 9, is amended to read:

Subd. 9. **Assistance of sheriff in service or execution; possession of dwelling or residence.** When an order is issued under this section upon request of the petitioner, the court shall order the sheriff to accompany the petitioner and assist in placing the petitioner in possession of the dwelling or residence, ~~or otherwise assist in execution or service of the order of protection.~~ If the application for relief is brought in a county in which the respondent is not present, the sheriff shall forward the pleadings necessary for service upon the respondent to the sheriff of the county in which the respondent is present. This transmittal must be expedited to allow for timely service.

Sec. 11. Minnesota Statutes 2022, section 518B.01, subdivision 9a, is amended to read:

Subd. 9a. **Personal service by others; procedures; cost; reasonable efforts and cooperation required.** (a) Where personal service is required under this section, service must comply with subdivision 8 and rule 4.03 of the Rules of Civil Procedure.

(b) Upon request of the petitioner or order of the court, the sheriff of any county in this state in which a respondent resides or is present must execute or serve any petition, ex parte order, notice of hearing, order for protection, and any other order of a court on the respondent. If the application for relief is brought in a county in which the respondent is not present, the sheriff of the county where the application for relief was brought shall forward the pleadings necessary for service upon the respondent to the sheriff of the county in which the respondent is present. This transmittal must be expedited to allow for timely service.

(c) Peace officers licensed by the state of Minnesota and corrections officers, including, but not limited to, probation officers, court services officers, parole officers, and employees of jails or correctional facilities, may serve an order for protection on a respondent or any custodian and must, to the extent possible, provide any sheriff, law

enforcement officer, or other peace officer attempting to effectuate service with relevant information regarding where a respondent may be found, such as the respondent's residence, the respondent's place of employment or schooling, or other locations frequented by the respondent.

(d) The court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer shall perform the duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement officer, peace officer, or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.

(e) A sheriff, law enforcement officer, or any other peace officer must make reasonable efforts to locate a respondent to effectuate service. Reasonable efforts may include:

(1) a search of any information that is publicly available;

(2) a search of any government data in a database to which the sheriff, law enforcement officer, or other peace officer has access, provided the data is classified as public data on individuals as defined in section 13.02, subdivision 15, or is otherwise available to criminal justice agencies, as defined in section 13.02, subdivision 3a; and

(3) communication with any court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer.

(f) A sheriff, law enforcement officer, or any other peace officer who serves a respondent who the sheriff or officer knows is on supervised probation or supervised release with an ex parte order, order for protection, or short-form notification must provide a copy of the served order or notification to the respondent's probation officer, supervised release or conditional release agent, or parole officer.

Sec. 12. Minnesota Statutes 2022, section 518B.01, subdivision 11, is amended to read:

Subd. 11. **Modifying or vacating order.** (a) Upon application, notice to all parties, notice to any custodian, and hearing, the court may modify the terms of an existing order for protection.

(b) If the court orders relief under subdivision 6a, paragraph (c), the respondent named in the order for protection may request to have the order vacated or modified if the order has been in effect for at least five years and the respondent has not violated the order during that time. Application for relief under this subdivision must be made in the county in which the order for protection was issued. Upon receipt of the request, the court shall set a hearing date. Personal service must be made upon the petitioner named in the order for protection not less than 30 days before the date of the hearing. Notice of the request and hearing may be made on any custodian personally or by certified mail. At the hearing, the respondent named in the order for protection has the burden of proving by a preponderance of the evidence that there has been a material change in circumstances and that the reasons upon which the court relied in granting or extending the order for protection no longer apply and are unlikely to occur. If the court finds that the respondent named in the order for protection has met the burden of proof, the court may vacate or modify the order. If the court finds that the respondent named in the order for protection has not met the burden of proof, the court shall deny the request and no request may be made to vacate or modify the order for protection until five years have elapsed from the date of denial. An order vacated or modified under this paragraph must be personally served on the petitioner named in the order for protection and may be served on any custodian personally or by certified mail.



Sec. 13. Minnesota Statutes 2022, section 518B.01, is amended by adding a subdivision to read:

Subd. 11a. **Notice to custodian; Safe at Home participants; failure not a bar to enforcement.** (a) A custodian who is a program participant as defined in section 5B.02, paragraph (g), may direct the court to use the address designated by the secretary of state as the address of the program participant. Section 5B.03, subdivision 1, clause (3), applies to service of any notice, order, or other document required to be served under this section. The protections, limitations, and requirements in chapter 5B apply to any information regarding a custodian who is a program participant.

(b) Failure to serve a custodian with a petition, order for protection, dismissal, or any other order must not prevent any order from taking effect or otherwise invalidate any order issued pursuant to this section. In the event that service of a notice of a hearing is not completed on any custodian at least 24 hours prior to the time set for the hearing, the court may set a new hearing date no more than five days later.

Sec. 14. Minnesota Statutes 2022, section 609.748, subdivision 3a, is amended to read:

Subd. 3a. **Filing fee; cost of service.** The filing fees for a restraining order under this section are waived for the petitioner and the respondent if the petition alleges acts that would constitute a violation of section 609.749, subdivision 2, 3, 4, or 5, or sections 609.342 to 609.3451. ~~The court administrator and any peace officer in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when a peace officer is unavailable or if service is made by publication.~~

Sec. 15. Minnesota Statutes 2022, section 609.748, subdivision 5, is amended to read:

Subd. 5. **Restraining order.** (a) The court may issue a restraining order that provides any or all of the following:

(1) orders the respondent to cease or avoid the harassment of another person; or

(2) orders the respondent to have no contact with another person.

(b) The court may issue an order under paragraph (a) if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) a peace officer has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the right to request a hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. If the court finds that the petitioner has had two or more previous restraining orders in effect against the same respondent or the respondent has violated a prior or existing restraining order on two or more occasions, relief granted by the restraining order may be for a period of up to 50 years. In all other cases, relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

(c) An order issued under this subdivision must be personally served upon the respondent, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that a restraining order will be issued, the order may be served on the respondent electronically or by first class mail, as ordered by the court.

(d) If the court orders relief for a period of up to 50 years under paragraph (a), the respondent named in the restraining order may request to have the restraining order vacated or modified if the order has been in effect for at least five years and the respondent has not violated the order. Application for relief under this paragraph must be made in the county in which the restraining order was issued. Upon receipt of the request, the court shall set a hearing date. Personal service must be made upon the petitioner named in the restraining order not less than 30 days before the date of the hearing. At the hearing, the respondent named in the restraining order has the burden of proving by a preponderance of the evidence that there has been a material change in circumstances and that the reasons upon which the court relied in granting the restraining order no longer apply and are unlikely to occur. If the court finds that the respondent named in the restraining order has met the burden of proof, the court may vacate or modify the order. If the court finds that the respondent named in the restraining order has not met the burden of proof, the court shall deny the request and no request may be made to vacate or modify the restraining order until five years have elapsed from the date of denial. An order vacated or modified under this paragraph must be personally served on the petitioner named in the restraining order.

Sec. 16. Minnesota Statutes 2022, section 609.748, subdivision 5b, is amended to read:

Subd. 5b. **Personal service by others; procedures; cost; reasonable efforts and cooperation required.** (a) Where personal service is required under this section, service must comply with rule 4.03 of the Rules of Civil Procedure.

(b) In addition to peace officers, corrections officers, including but not limited to probation officers, court services officers, parole officers, and employees of jails or correctional facilities, may serve a temporary restraining order or restraining order and must, to the extent possible, provide any sheriff, law enforcement officer, or other peace officer attempting to effectuate service with relevant information regarding where a respondent may be found, such as the respondent's residence, the respondent's place of employment or schooling, or other locations frequented by the respondent.

(c) The court administrator and any peace officer in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when a peace officer is unavailable or if service is made by publication.

(d) A sheriff, law enforcement officer, or any other peace officer must make reasonable efforts to locate a respondent to effectuate service. Reasonable efforts may include:

(1) a search of any information that is publicly available;

(2) a search of any government data in a database to which the sheriff, law enforcement officer, or other peace officer has access, provided the data is classified as public data on individuals as defined in section 13.02, subdivision 15, or is otherwise available to criminal justice agencies, as defined in section 13.02, subdivision 3a; and

(3) communication with any court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer.

(e) A sheriff, law enforcement officer, or any other peace officer who serves a respondent who the sheriff or officer knows is on supervised probation or supervised release with a temporary restraining order, restraining order, or short-form notification must provide a copy of the served order or notification to the respondent's probation officer, supervised release or conditional release agent, or parole officer.

Sec. 17. Minnesota Statutes 2022, section 609.748, is amended by adding a subdivision to read:

Subd. 5c. **Dismissals.** Orders for dismissal of a temporary restraining order or a restraining order may be served personally or by certified mail.

ARTICLE 11  
STATE BOARD OF CIVIL LEGAL AID

Section 1. Minnesota Statutes 2022, section 480.24, subdivision 2, is amended to read:

Subd. 2. **Eligible client.** "Eligible client" means an individual that is financially unable to afford legal assistance, as determined by a recipient on the basis of eligibility guidelines established by the ~~supreme court~~ State Board of Civil Legal Aid pursuant to section 480.243, subdivision 1.

Sec. 2. Minnesota Statutes 2022, section 480.24, subdivision 4, is amended to read:

Subd. 4. **Recipient.** "Recipient" means a qualified legal services program that receives funds ~~from the supreme court~~ pursuant to section 480.242 to provide legal services to eligible clients.

Sec. 3. **[480.2415] STATE BOARD OF CIVIL LEGAL AID.**

Subdivision 1. **Structure; membership.** (a) The State Board of Civil Legal Aid is a part of but is not subject to the administrative control of the judicial branch of government.

(b) The board shall consist of 11 members as follows:

(1) six members appointed by the supreme court; and

(2) five members appointed by the governor.

(c) All candidates shall have demonstrated a commitment in maintaining high-quality civil legal services to people of low or moderate means. The appointing entities shall seek board members who reflect the diverse populations served by civil legal aid through attorney and nonattorney members.

(d) The appointing entities may not appoint an active judge to be a member of the board, but may appoint a retired judge. The appointing entities may not appoint a person who is closely affiliated with any entity awarded funding pursuant to section 480.242 or any entity seeking funding pursuant to section 480.242. The board may set term limits for board members. An appointing authority may not make an appointment that exceeds the term limits established by the board.

(e) The terms, compensation, and removal of board members shall be as provided in section 15.0575, except that the board may establish a per diem in excess of the amount provided in law. The members shall elect the chair from among the membership for a term of two years.

Subd. 2. **Duties and responsibilities.** (a) The State Board of Civil Legal Aid shall work to ensure access to high-quality civil legal services in every Minnesota county.

(b) The board shall:

(1) approve and recommend to the legislature a budget for the board and the civil legal services grants distributed subject to section 480.242;

(2) establish procedures for distribution of funding under section 480.242; and

(3) establish civil program standards, administrative policies, or procedures necessary to ensure quality advocacy for persons unable to afford private counsel.

(c) The board may propose statutory changes to the legislature and rule changes to the supreme court that are in the best interests of persons unable to afford private counsel.

(d) The board shall not interfere with the discretion or judgment of civil legal services programs in their advocacy.

Subd. 3. **State civil legal aid program administrator.** The State Board of Civil Legal Aid shall appoint a program administrator who serves at the pleasure of the board. The program administrator is not required to be licensed to practice law. The program administrator shall attend all meetings of the board, but may not vote, and shall:

(1) carry out all administrative functions necessary for the efficient and effective operation of the board and the civil legal aid delivery system, including but not limited to hiring, supervising, and disciplining program staff;

(2) implement, as necessary, resolutions, standards, rules, regulations, and policies of the board;

(3) keep the board fully advised as to its financial condition, and prepare and submit to the board the annual program and State Board of Civil Legal Aid budget and other financial information as requested by the board;

(4) recommend to the board the adoption of rules and regulations necessary for the efficient operation of the board and the civil legal aid program; and

(5) perform other duties prescribed by the board.

Subd. 4. **Administration.** The board may contract for administrative support services.

Subd. 5. **Access to records.** Access to records of the State Board of Civil Legal Aid is subject to the Rules of Public Access for Records of the Judicial Branch, excluding the appeals process in rule 9. Pursuant to section 13.90, the board is not subject to chapter 13.

Sec. 4. Minnesota Statutes 2022, section 480.242, subdivision 2, is amended to read:

Subd. 2. **Review of applications; selection of recipients.** At times and in accordance with any procedures as the supreme court adopts in the form of court rules adopted by the State Board of Civil Legal Aid, applications for the expenditure of civil legal services funds shall be accepted from qualified legal services programs or from local government agencies and nonprofit organizations seeking to establish qualified alternative dispute resolution programs. The applications shall be reviewed by the advisory committee, and the advisory committee, subject to review by the supreme court State Board of Civil Legal Aid, which shall distribute the funds available for this expenditure to qualified legal services programs or to qualified alternative dispute resolution programs submitting applications. The funds shall be distributed in accordance with the following formula:

(a) Eighty-five percent of the funds distributed shall be distributed to qualified legal services programs that have demonstrated an ability as of July 1, 1982, to provide legal services to persons unable to afford private counsel with funds provided by the federal Legal Services Corporation. The allocation of funds among the programs selected shall be based upon the number of persons with incomes below the poverty level established by the United States Census Bureau who reside in the geographical area served by each program, as determined by the supreme court

State Board of Civil Legal Aid on the basis of the most recent national census. All funds distributed pursuant to this clause shall be used for the provision of legal services in civil and farm legal assistance matters as prioritized by program boards of directors to eligible clients.

(b) Fifteen percent of the funds distributed may be distributed (1) to other qualified legal services programs for the provision of legal services in civil matters to eligible clients, including programs which organize members of the private bar to perform services and programs for qualified alternative dispute resolution, (2) to programs for training mediators operated by nonprofit alternative dispute resolution corporations, or (3) to qualified legal services programs to provide family farm legal assistance for financially distressed state farmers. The family farm legal assistance must be directed at farm financial problems including, but not limited to, liquidation of farm property including bankruptcy, farm foreclosure, repossession of farm assets, restructuring or discharge of farm debt, farm credit and general debtor-creditor relations, and tax considerations. If all the funds to be distributed pursuant to this clause cannot be distributed because of insufficient acceptable applications, the remaining funds shall be distributed pursuant to clause (a).

A person is eligible for legal assistance under this section if the person is an eligible client as defined in section 480.24, subdivision 2, or:

- (1) is a state resident;
- (2) is or has been a farmer or a family shareholder of a family farm corporation within the preceding 24 months;
- (3) has a debt-to-asset ratio greater than 50 percent; and
- (4) satisfies the income eligibility guidelines established under section 480.243, subdivision 1.

Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation are eligible for legal assistance under this section.

Sec. 5. Minnesota Statutes 2022, section 480.242, subdivision 3, is amended to read:

Subd. 3. **Timing of distribution of funds.** The funds to be distributed to recipients selected in accordance with the provisions of subdivision 2 shall be distributed by the ~~supreme court~~ State Board of Civil Legal Aid no less than twice per calendar year.

Sec. 6. Minnesota Statutes 2022, section 480.243, subdivision 1, is amended to read:

Subdivision 1. **Committee eligibility guidelines.** ~~The supreme court, with the advice of the advisory committee, shall establish guidelines in the form of court rules to be used by recipients to determine the eligibility of individuals and organizations for legal services provided with funds received pursuant to section 480.242. The guidelines shall be designed solely to assist recipients in determining whether an individual or organization is able to afford or secure legal assistance from private counsel with respect to the particular matter for which assistance is requested.~~ State Board of Civil Legal Aid shall establish guidelines to be used by recipients to determine the eligibility of individuals and organizations for legal services provided with funds received pursuant to section 480.242. The guidelines shall be designed solely to assist recipients in determining whether an individual or organization is able to afford or secure legal assistance from private counsel with respect to the particular matter for which assistance is requested.

Sec. 7. **STATE BOARD OF CIVIL LEGAL AID; STAFF.**

Staff currently employed to support the advisory committee created pursuant to Minnesota Statutes, section 480.242, shall transfer to the State Board of Civil Legal Aid upon the effective date consistent with Minnesota Statutes, section 15.039, subdivision 7.

Sec. 8. **REPEALER.**

Minnesota Statutes 2022, section 480.242, subdivision 1, is repealed.

Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective on July 1, 2025.

ARTICLE 12  
JUDICIAL DATA PRIVACY

Section 1. **[13.991] JUDICIAL OFFICIAL DATA; PERSONAL INFORMATION.**

(a) Subject to paragraph (b), the personal information of all judicial officials collected, created, or maintained by a government entity is private data on individuals. For purposes of this section, the terms "personal information" and "judicial official" have the meanings given in section 480.40, subdivision 1.

(b) If the responsible authority or government entity violates this chapter, the remedies and penalties under this chapter are available only if the judicial official making a claim previously provided written notification to the responsible authority confirming on a form provided by the Minnesota judicial branch that they are entitled to protection under section 480.40. If the subject of the data is an adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under this chapter are available only if the adult child previously provided written notification to the responsible authority confirming their status as the child of a judicial official. In the case of county records, the form shall be filed with the responsible authority that maintains the personal information for which the judicial officer is seeking protection. A form submitted under this section is private data on individuals. A notice filed under this paragraph expires five years following the date of filing, unless it is renewed prior to the expiration date.

(c) This section shall not apply to personal information contained in:

(1) real property records as defined in section 13.045, subdivision 1, clause (5);

(2) Uniform Commercial Code filings and tax liens maintained by the secretary of state; and

(3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.

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

Sec. 2. **[480.40] PERSONAL INFORMATION; DISSEMINATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section and section 480.45, the following terms have the meanings given.

(b) "Judicial official" means:

(1) every Minnesota district court judge, senior judge, retired judge, and every judge of the Minnesota Court of Appeals and every active, senior, recalled, or retired federal judge who resides in Minnesota;

(2) a justice of the Minnesota Supreme Court;

(3) employees of the Minnesota judicial branch;

(4) judicial referees and magistrate judges; and

(5) current and retired judges and current employees of the Office of Administrative Hearings, Workers' Compensation Court of Appeals, and Tax Court.

(c) "Personal information" does not include publicly available information. Personal information means:

(1) a residential address of a judicial official;

(2) a residential address of the spouse, domestic partner, or children of a judicial official;

(3) a nonjudicial branch issued telephone number or email address of a judicial official;

(4) the name of any child of a judicial official; and

(5) the name of any child care facility or school that is attended by a child of a judicial official if combined with an assertion that the named facility or school is attended by the child of a judicial official.

(d) "Publicly available information" means information that is lawfully made available through federal, state, or local government records or information that a business has a reasonable basis to believe is lawfully made available to the general public through widely distributed media, by a judicial official, or by a person to whom the judicial official has disclosed the information, unless the judicial official has restricted the information to a specific audience.

(e) "Law enforcement support organizations" do not include charitable organizations.

Subd. 2. **Dissemination of personal information.** Subject to the exceptions in subdivision 3 and the requirements of section 480.45, no person, business, association, or government entity shall knowingly publicly post, display, publish, sell, or otherwise make available on the Internet the personal information of any judicial official. Personal information shall be kept in a secure manner to prevent unauthorized access. Personal information may be disseminated pursuant to a specific authorization in law, rule, or with the written consent of the judicial official.

Subd. 3. **Exceptions.** Subdivision 2 does not apply to:

(1) the dissemination of personal information if the information is relevant to and displayed as part of a news story, commentary, editorial, or other speech on a matter of public concern;

(2) personal information that the judicial official voluntarily disseminates publicly after the date of enactment of this section;

(3) the dissemination of personal information made at the request of the judicial official or which is necessary to effectuate the request of a judicial official;

(4) a commercial entity using personal information internally, providing access to businesses under common ownership or affiliated by corporate control, or selling or providing data for a transaction or service requested by or concerning the individual whose personal information is being transferred;

(5) a commercial entity providing publicly available information through real-time or near real-time alert services for health or safety purposes;

(6) a commercial entity engaged in the collection, maintenance, disclosure, sale, communication, or use of any personal information bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, furnisher, or user that provides information for use in a consumer report, and by a user of a consumer report, but only to the extent that such activity is regulated by and authorized under the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(7) a consumer reporting agency subject to the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(8) a commercial entity using personal information collected, processed, sold, or disclosed in compliance with the federal Driver's Privacy Protection Act of 1994, United States Code, title 18, section 2721, et seq.;

(9) a commercial entity using personal information to do any of the following: prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute any person responsible for any such action;

(10) a financial institution, affiliate of a financial institution, or data subject to title V of the federal Gramm-Leach-Bliley Act, United States Code, title 15, section 6801, et seq.;

(11) a covered entity or business associate for purposes of the federal privacy regulations promulgated under the federal Health Insurance Portability and Accountability Act of 1996, specifically United States Code, title 42, section 1320d-2 note;

(12) insurance and insurance support organizations;

(13) law enforcement agencies or law enforcement support organizations and vendors that provide data support services to law enforcement agencies;

(14) the collection and sale or licensing of covered information incidental to conducting the activities described in clauses (4) to (13); and

(15) personal information contained in:

(i) real property records as defined in section 13.045, subdivision 1, clause (5);

(ii) uniform commercial code filings and tax liens maintained by the secretary of state; and

(iii) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.

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



Sec. 3. **[480.45] REMOVAL OF PERSONAL INFORMATION.**

Subdivision 1. **Internet dissemination.** If personal information about a judicial official is publicly posted to the Internet by a person, business, association, or government entity, the judicial official may submit a sworn affidavit to the person, business, association, or government entity requesting that the publicly posted personal information be removed. The affidavit shall:

- (1) state that the individual whose information was disseminated is a judicial official as defined in section 480.40;
- (2) describe with specificity the personal information that the judicial official seeks to remove; and
- (3) state the name of the publication, website, or otherwise identify where the judicial official's personal information is available to the public.

Subd. 2. **Removal of personal information; exception.** (a) Upon receipt of an affidavit requesting removal of the personal information of a judicial official that meets the requirements of subdivision 1, the person, business, association, or government entity shall remove the publicly posted personal information within 30 days. If the person, business, association, or government entity fails to remove the publicly posted personal information within 30 days after an affidavit is submitted, the judicial official may file a civil action in a court of competent jurisdiction seeking a court order compelling compliance, including injunctive and declarative relief.

(b) Paragraph (a) shall not apply to personal information contained in:

- (1) real property records as defined in section 13.045, subdivision 1, clause (5);
- (2) uniform commercial code filings and tax liens maintained by the secretary of state; and
- (3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.

Subd. 3. **Penalties and damages.** If a person, business, association, or government entity knowingly violates an order granting injunctive or declarative relief, the court issuing such an order may award to the judicial official an amount equal to the actual damages sustained by the judicial official, and court costs and reasonable attorney fees.

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

Sec. 4. **[609.476] PUBLISHING PERSONAL INFORMATION OF JUDICIAL OFFICIAL.**

Subdivision 1. **Definitions.** For the purposes of this section, the terms "personal information" and "judicial official" have the meanings given in section 480.40, subdivision 1.

Subd. 2. **Misdemeanor.** It is unlawful to knowingly publish the personal information of any judicial official in any publicly available publication, website, or media with the intent to threaten, intimidate, harass, or physically injure. A person convicted of violating this subdivision is guilty of a misdemeanor.

Subd. 3. **Felony.** If a person's violation of subdivision 2 also causes bodily harm as defined in section 609.02, subdivision 7, the person is guilty of a felony.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

ARTICLE 13  
JUDICIAL BRANCH POLICY

Section 1. Minnesota Statutes 2022, section 117.042, is amended to read:

**117.042 POSSESSION.**

Whenever the petitioner shall require title and possession of all or part of the owner's property prior to the filing of an award by the court appointed commissioners, the petitioner shall, at least 90 days prior to the date on which possession is to be taken, notify the owner of the intent to possess by notice served by certified mail and before taking title and possession shall pay to the owner or deposit with the court an amount equal to petitioner's approved appraisal of value. Amounts deposited with the court shall be paid out under the direction of the court. If it is deemed necessary to deposit the above amount with the court the petitioner may apply to the court for an order transferring title and possession of the property or properties involved from the owner to the petitioner. In all other cases, petitioner has the right to the title and possession after the filing of the award by the court appointed commissioners as follows:

(1) if appeal is waived by the parties upon payment of the award;

(2) if appeal is not waived by the parties upon payment or deposit of three-fourths of the award to be deposited with the court administrator. ~~The amount deposited~~ If the amount exceeds \$10,000, it shall be deposited by the court administrator in an interest bearing account no later than the five business day days next following the day on which the amount was deposited with the court. All interest credited to the amount deposited from the date of deposit shall be paid to the ultimate recipient of the amount deposited.

Nothing in this section shall limit rights granted in section 117.155.

Sec. 2. Minnesota Statutes 2022, section 171.182, subdivision 2, is amended to read:

Subd. 2. **Copy of judgment to commissioner.** If a person fails within 30 days to satisfy a judgment, the court administrator, upon affidavit of the judgment creditor that the judgment has not been satisfied, shall immediately ~~forward to notify the commissioner a certified copy of the judgment and affidavit of identification that the judgment has not been satisfied.~~

If the judgment debtor named in a ~~certified copy of a judgment~~ reported to the commissioner is a nonresident, the commissioner shall ~~transmit a certified copy of the judgment to~~ notify the official in charge of the issuance of drivers' licenses of the state of which the judgment debtor is a resident.

Sec. 3. Minnesota Statutes 2022, section 171.182, subdivision 3, is amended to read:

Subd. 3. **Conditions.** (a) The commissioner, upon ~~receipt of a certified copy~~ notification of a judgment, shall suspend the license or the nonresident's operating privilege of the person against whom judgment was rendered if:

(1) at the time of the accident the person did not maintain the reparation security required by section 65B.48; and

(2) the judgment has not been satisfied.

(b) Suspensions under this section are subject to the notice requirements of section 171.18, subdivision 2.

Sec. 4. Minnesota Statutes 2022, section 253B.02, subdivision 4d, is amended to read:

Subd. 4d. **Court examiner.** "Court examiner" means a person appointed to serve the court, and who is a physician or ~~licensed~~ psychologist who has a doctoral degree in psychology, and is either licensed in Minnesota or who holds current authority to practice in Minnesota under an approved interstate compact.

Sec. 5. Minnesota Statutes 2022, section 480.15, subdivision 10c, is amended to read:

Subd. 10c. **Uniform collections policies and procedures for courts.** (a) The state court administrator under the direction of the Judicial Council may promulgate uniform collections policies and procedures for the courts and may contract with credit bureaus, public and private collection agencies, the Department of Revenue, and other public or private entities providing collection services as necessary for the collection of court debts. The court collection process and procedures are not subject to section 16A.1285. Court debts referred to the Department of Revenue for collection are not subject to section 16D.07. Court debts referred to the Department of Revenue for revenue recapture are not subject to section 270A.08 or 270A.09.

(b) Court debt means an amount owed to the state directly or through the judicial branch on account of a fee, duty, rent, service, overpayment, fine, assessment, surcharge, court cost, penalty, restitution, damages, interest, bail bond, forfeiture, reimbursement, liability owed, an assignment to the judicial branch, recovery of costs incurred by the judicial branch, or any other source of indebtedness to the judicial branch as well as amounts owed to other public or private entities for which the judicial branch acts in providing collection services, or any other amount owed to the judicial branch.

(c) The courts must pay for the collection services of public or private collection entities as well as the cost of one or more court employees to provide collection interface services between the Department of Revenue, the courts, and one or more collection entities from the money collected. The portion of the money collected which must be paid to the collection entity as collection fees and costs and the portion of the money collected which must be paid to the courts or Department of Revenue for collection services are appropriated from the fund to which the collected money is due.

(d) As determined by the state court administrator, collection costs shall be added to the debts referred to a public or private collection entity for collection.

Collection costs shall include the fees of the collection entity, and may include, if separately provided, skip tracing fees, credit bureau reporting charges, fees assessed by any public entity for obtaining information necessary for debt collection, or other collection-related costs. Collection costs shall also include the costs of one or more court employees employed by the state court administrator to provide a collection interface between the collection entity, the Department of Revenue, and the courts.

If the collection entity collects an amount less than the total due, the payment is applied proportionally to collection costs and the underlying debt. Collection costs in excess of collection agency fees and court employee collection interface costs must be deposited in the general fund as nondedicated receipts.

Sec. 6. Minnesota Statutes 2022, section 593.50, subdivision 1, is amended to read:

Subdivision 1. **Juror protection.** An employer shall not deprive an employee of employment, or threaten or otherwise coerce the employee with respect ~~thereto~~ to employment status, because the employee receives a summons, responds thereto, serves as a juror, or attends court for prospective jury service. An employer must release an employee from the employee's regular work schedule, including any shift work, to permit the employee to attend court for prospective jury service. An employer must not require an employee to work an alternative shift on any day the juror is required to report to the courthouse for jury service. Nothing in this section shall prevent an

employee from voluntarily requesting to work an alternative work schedule on any day the juror is required to report to the courthouse for jury service, as long as the employer does not encourage, prompt, or ask for the employee to make such a request.

Sec. 7. Minnesota Statutes 2023 Supplement, section 611.41, subdivision 7, is amended to read:

Subd. 7. **Court examiner.** "Court examiner" means a person appointed to serve the court ~~by examining a defendant whose competency is at issue~~ and who is a physician or ~~licensed~~ psychologist who has a doctoral degree in psychology, and is either licensed in Minnesota or who holds current authority to practice in Minnesota under an approved interstate compact.

#### ARTICLE 14 PUBLIC DEFENSE AND OTHER CRIMINAL JUSTICE POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 611.215, subdivision 1, is amended to read:

Subdivision 1. **Structure; membership.** (a) The State Board of Public Defense is a part of, but is not subject to the administrative control of, the judicial branch of government. The State Board of Public Defense shall consist of nine members including:

(1) five attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not employed as prosecutors, appointed by the supreme court, of which one must be a retired or former public defender within the past five years; and

(2) four public members appointed by the governor.

The appointing authorities may not appoint a person who is a judge to be a member of the State Board of Public Defense, ~~other than as a member of the ad hoc Board of Public Defense.~~

(b) All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. Appointments to the board shall include qualified women and members of minority groups. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The chair shall be elected by the members from among the membership for a term of two years.

~~(c) In addition, the State Board of Public Defense shall consist of a nine member ad hoc board when considering the appointment of district public defenders under section 611.26, subdivision 2.~~ The terms of chief district public defenders currently serving shall terminate in accordance with the staggered term schedule set forth in section 611.26, subdivision 2.

(d) Meetings of the board are subject to chapter 13D.

Sec. 2. Minnesota Statutes 2022, section 611.215, subdivision 2, is amended to read:

Subd. 2. **Duties and responsibilities.** (a) The board shall approve and recommend to the legislature a budget for the board, the office of state public defender, the judicial district public defenders, and the public defense corporations.

(b) The board shall establish procedures for distribution of state funding under this chapter to the state and district public defenders and to the public defense corporations.

(c) The state public defender with the approval of the board shall establish standards for the offices of the state and district public defenders ~~and for the conduct of all appointed counsel systems~~. The standards must include, but are not limited to:

(1) standards needed to maintain and operate an office of public defender including requirements regarding the qualifications, training, and size of the legal and supporting staff ~~for a public defender or appointed counsel system~~;

(2) standards for public defender caseloads;

~~(3) standards and procedures for the eligibility for appointment, assessment, and collection of the costs for legal representation provided by public defenders or appointed counsel;~~

~~(4) standards for contracts between a board of county commissioners and a county public defender system for the legal representation of indigent persons;~~

~~(5)~~ (3) standards prescribing minimum qualifications of counsel appointed under the board's authority ~~or by the courts~~; and

~~(6)~~ (4) standards ensuring the independent, competent, and efficient representation of clients whose cases present conflicts of interest, in both the trial and appellate courts.

~~(d) The board may require the reporting of statistical data, budget information, and other cost factors by the state and district public defenders and appointed counsel systems.~~

Sec. 3. Minnesota Statutes 2023 Supplement, section 611.23, is amended to read:

**611.23 OFFICE OF STATE PUBLIC DEFENDER; APPOINTMENT; SALARY.**

The state public defender is responsible to the State Board of Public Defense. The state public defender shall supervise the operation, activities, policies, and procedures of the statewide public defender system. When requested by a district public defender ~~or appointed counsel~~, the state public defender may assist the district public defender, ~~appointed counsel~~, or an organization designated in section 611.216 in the performance of duties, including trial representation in matters involving legal conflicts of interest or other special circumstances, and assistance with legal research and brief preparation. The state public defender shall be appointed by the State Board of Public Defense for a term of four years, except as otherwise provided in this section, and until a successor is appointed and qualified. The state public defender shall be a full-time qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state, and may only be removed only for cause before the end of a term by the appointing authority a majority vote of the board members present at a meeting of the board of public defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The salary of the state public defender shall be fixed by the State Board of Public Defense. Terms of the state public defender shall commence on July 1. The state public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

Sec. 4. Minnesota Statutes 2022, section 611.24, is amended to read:

**611.24 CHIEF APPELLATE PUBLIC DEFENDER; ORGANIZATION OF OFFICE; ASSISTANTS.**

(a) Beginning January 1, 2007, and for every four years after that date, the State Board of Public Defense shall appoint a chief appellate public defender in charge of appellate services, who shall employ or retain assistant state public defenders and other personnel as may be necessary to discharge the functions of the office. The chief appellate public defender shall serve a four-year term and may only be removed ~~only for cause upon the order of~~

~~before the end of a term by a majority vote of board members present at a meeting of~~ the State Board of Public Defense. The chief appellate public defender shall be a full-time qualified attorney, licensed to practice law in this state, and serve in the unclassified service of the state. Vacancies in the office shall be filled by the appointing authority for the unexpired term.

(b) An assistant state public defender shall be a qualified attorney, licensed to practice law in this state, ~~serve in the unclassified service of the state if employed, and serve at the pleasure of the appointing authority at a salary or retainer fee not to exceed reasonable compensation for comparable services performed for other governmental agencies or departments.~~ Retained or part-time employed assistant state public defenders may engage in the general practice of law. The compensation of the chief appellate public defender ~~and the compensation of each assistant state public defender~~ shall be set by the State Board of Public Defense. The chief appellate public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

~~(c) The incumbent deputy state public defender as of December 31, 2006, shall be appointed as the chief appellate public defender for the four year term beginning on January 1, 2007.~~

Sec. 5. Minnesota Statutes 2022, section 611.26, subdivision 2, is amended to read:

Subd. 2. **Appointment; terms.** The State Board of Public Defense shall appoint a chief district public defender for each judicial district. ~~When appointing a chief district public defender, the state Board of Public Defense membership shall be increased to include two residents of the district appointed by the chief judge of the district to reflect the characteristics of the population served by the public defender in that district. The additional members shall serve only in the capacity of selecting the district public defender. The ad hoc state Board of Public Defense shall appoint a chief district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, and the judges of the district.~~ Each chief district public defender shall be a qualified attorney licensed to practice law in this state. The chief district public defender shall be appointed for a term of four years, beginning January 1, pursuant to the following staggered term schedule: (1) in 2008, the second and eighth districts; (2) in 2009, the first, third, fourth, and tenth districts; (3) in 2010, the fifth and ninth districts; and (4) in 2011, the sixth and seventh districts. The chief district public defenders shall serve for four-year terms and may only be removed for cause upon the order of ~~before the end of a term by a majority vote of the board members at a meeting of~~ the state Board of Public Defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The chief district public defenders shall devote full time to the performance of duties and shall not engage in the general practice of law.

Sec. 6. Minnesota Statutes 2022, section 611.26, subdivision 3, is amended to read:

Subd. 3. **Compensation.** (a) The compensation of the chief district public defender ~~and the compensation of each assistant district public defender~~ shall be set by the Board of Public Defense. ~~To assist the Board of Public Defense in determining compensation under this subdivision, counties shall provide to the board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.~~

(b) This subdivision does not limit the rights of public defenders to collectively bargain with their employers.

Sec. 7. Minnesota Statutes 2022, section 611.26, subdivision 3a, is amended to read:

Subd. 3a. **Budget; compensation.** (a) Notwithstanding subdivision 3 or any other law to the contrary, compensation and economic benefit increases for chief district public defenders and assistant district public defenders, who are full-time county employees, shall be paid out of the budget for that judicial district public defender's office.

(b) In the Second Judicial District, the district public defender's office shall be funded by the Board of Public Defense. The budget for the Second Judicial District Public Defender's Office shall not include Ramsey County property taxes.

(c) In the Fourth Judicial District, the district public defender's office shall be funded by the Board of Public Defense and by the Hennepin County Board. Personnel expenses of state employees hired on or after January 1, 1999, in the Fourth Judicial District Public Defender's Office shall be funded by the Board of Public Defense.

~~(d) Those budgets for district public defender services in the Second and Fourth Judicial Districts under the jurisdiction of the state Board of Public Defense shall be eligible for adjustments to their base budgets in the same manner as other state agencies. In making biennial budget base adjustments, the commissioner of management and budget shall consider the budgets for district public defender services in all judicial districts, as allocated by the state Board of Public Defense, in the same manner as other state agencies.~~

Sec. 8. Minnesota Statutes 2022, section 611.26, subdivision 4, is amended to read:

Subd. 4. **Assistant public defenders.** A chief district public defender shall appoint assistants who are qualified attorneys licensed to practice law in this state and other staff as the chief district public defender finds prudent and necessary subject to the standards adopted by the state public defender. ~~Assistant district public defenders must be appointed to ensure broad geographic representation and caseload distribution within the district. Each assistant district public defender serves at the pleasure of the chief district public defender.~~ A chief district public defender is authorized, subject to approval by the state ~~Board of Public Defense~~ public defender or their designee, to hire an independent contractor to perform the duties of an assistant public defender.

Sec. 9. Minnesota Statutes 2022, section 611.263, subdivision 1, is amended to read:

Subdivision 1. **Employees.** (a) Except as provided in subdivision 3, ~~the district public defender and~~ assistant public defenders of the Second Judicial District are employees of Ramsey County in the unclassified service under section 383A.286.

(b) Except as provided in subdivision 3, ~~the district public defender and~~ assistant public defenders of the Fourth Judicial District are employees of Hennepin County under section 383B.63, subdivision 6.

Sec. 10. Minnesota Statutes 2022, section 611.265, is amended to read:

#### **611.265 TRANSITION.**

(a) District public defenders and their employees, other than in the Second and Fourth Judicial Districts, are state employees in the judicial branch, and are governed by the personnel rules adopted by the State Board of Public Defense.

~~(b) A district public defender or district public defender employee who becomes a state employee under this section, and who participated in a county insurance program on June 30, 1993, may elect to continue to participate in the county program according to procedures established by the Board of Public Defense. An affected county shall bill the Board of Public Defense for employer contributions, in a manner prescribed by the board. The county shall not charge the board any administrative fee. Notwithstanding any law to the contrary, a person who is first employed as a district public defender after July 1, 1993, shall participate in the state employee insurance program, as determined by the state Board of Public Defense, in consultation with the commissioner of management and budget.~~

~~(e)~~ (b) A district public defender or district public defender employee who becomes a state employee under this section, and who participated in the Public Employee Retirement Association on June 30, 1993, may elect to continue to participate in the Public Employees Retirement Association according to procedures established by the Board of Public Defense and the association. Notwithstanding any law to the contrary, a person who is first employed as a state employee or by a district public defender after July 1, 1993, must participate in the Minnesota State Retirement System.

~~(d)~~ (c) A person performing district public defender work as an independent contractor is not eligible to be covered under the state group insurance plan or the Public Employee Retirement Association.

Sec. 11. Minnesota Statutes 2022, section 611.27, subdivision 1, is amended to read:

Subdivision 1. **Budget.** ~~(a) A chief district public defender shall annually submit a comprehensive budget to the state Board of Public Defense. The budget shall be in compliance with standards and forms required by the board. The chief district public defender shall, at times and in the form required by the board, submit reports to the board concerning its operations, including the number of cases handled and funds expended for these services.~~

~~(b)~~ Money appropriated to the State Board of Public Defense for the board's administration, for the state public defender, for the judicial district public defenders, and for the public defense corporations shall be expended as determined by the board. In distributing funds to district public defenders, the board shall consider ~~the geographic distribution of public defenders, the equity of compensation among the judicial districts,~~ public defender case loads, and the results of the weighted case load study.

Sec. 12. Minnesota Statutes 2022, section 611.27, subdivision 8, is amended to read:

Subd. 8. **Adequate representation; review.** In a case where the chief district public defender does not believe that the office can provide adequate representation, the chief public defender of the district shall immediately notify the state public defender. The chief district public defender may request that the state public defender authorize appointment of counsel other than the district public defender in the case.

Sec. 13. Minnesota Statutes 2022, section 611.27, subdivision 10, is amended to read:

Subd. 10. **Addition of permanent staff.** The chief public defender may not request nor may the state public defender approve the addition of permanent staff under ~~subdivision 7~~ this section.

Sec. 14. Minnesota Statutes 2022, section 611.27, subdivision 11, is amended to read:

Subd. 11. **Appointment of counsel.** (a) If the state public defender finds that the provision of adequate legal representation, including associated services, is beyond the ability of the district public defender to provide, the state public defender may approve counsel to be appointed, with compensation and expenses to be paid under ~~the provisions of this subdivision and subdivision 7.~~ Counsel in such these cases shall be appointed by the chief district public defender.

(b) All billings for services rendered and ordered under this subdivision shall require the approval of the chief district public defender before being forwarded to the state public defender for payment. Counsel appointed under this subdivision shall document the time worked and expenses incurred in a manner prescribed by the chief district public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been approved by the state public defender, the Board of Public Defense shall pay all services from county program aid transferred by the commissioner of revenue for that purpose under section 477A.03, subdivision 2b, paragraph (a).



Sec. 15. Minnesota Statutes 2022, section 611.27, subdivision 13, is amended to read:

Subd. 13. **Correctional facility inmates.** ~~All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded to the state public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been approved by the state public defender, the Board of Public Defense shall pay all services from county program aid transferred by the commissioner of revenue for that purpose under section 477A.03, subdivision 2b, paragraph (a).~~

The costs of appointed counsel and associated services in cases arising from new criminal charges brought against indigent inmates who are incarcerated in a Minnesota state correctional facility are the responsibility of the State Board of Public Defense. In ~~such~~ these cases the state public defender may follow the procedures outlined in this section for obtaining court-ordered counsel.

Sec. 16. Minnesota Statutes 2022, section 611.27, subdivision 16, is amended to read:

Subd. 16. **Appeal by prosecuting attorney; attorney fees.** ~~(a) When a prosecuting attorney appeals to the court of appeals, in any criminal case, from any pretrial order of the district court, reasonable attorney fees and costs incurred shall be allowed to the defendant on the appeal which shall be paid by the governmental unit responsible for the prosecution involved in accordance with paragraph (b).~~

~~(b) By~~ On or before January 15, 2013, and every year thereafter of each year, the chief judge of the judicial district, after consultation with city and county attorneys, the chief public defender, and members of the private bar in the district, shall establish a reimbursement rate for attorney fees and costs associated with representation ~~under paragraph (a) of a defendant on appeal.~~ The compensation to be paid to an attorney for such service rendered to a defendant under this subdivision may not exceed ~~\$5,000~~ \$10,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the chief judge of the district as necessary to provide fair compensation for services of an unusual character or duration.

Sec. 17. Minnesota Statutes 2023 Supplement, section 611.55, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "board" means the ~~State~~ Minnesota Competency Attainment Board established in section 611.56.

Sec. 18. Minnesota Statutes 2023 Supplement, section 611.56, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) The ~~State~~ Minnesota Competency Attainment Board is established in the judicial branch. The board is not subject to the administrative control of the judiciary. The board shall consist of seven members, including:

(1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and

(2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency attainment.

(b) The appointing authorities may not appoint an active judge to be a member of the board, but may appoint a retired judge.

(c) All members must demonstrate an interest in maintaining a high quality, independent forensic navigator program and a thorough process for certification of competency attainment programs. Members shall be familiar with the Minnesota Rules of Criminal Procedure, particularly rule 20; chapter 253B; and sections 611.40 to 611.59.

Following the initial terms of appointment, at least one member appointed by the supreme court must have previous experience working as a forensic navigator. At least three members of the board shall live outside the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect the chair from among the membership for a term of two years.

Sec. 19. Minnesota Statutes 2023 Supplement, section 611.56, subdivision 6, is amended to read:

Subd. 6. **Fees and costs; civil actions on contested case.** Sections 15.039 and 15.471 to 15.474 apply to the ~~State~~ Minnesota Competency Attainment Board.

Sec. 20. Minnesota Statutes 2023 Supplement, section 611.57, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Certification Advisory Committee is established to provide the ~~State~~ Minnesota Competency Attainment Board with advice and expertise related to the certification of competency attainment programs, including jail-based programs.

Sec. 21. Minnesota Statutes 2023 Supplement, section 611.57, subdivision 4, is amended to read:

Subd. 4. **Duties.** The Certification Advisory Committee shall consult with the Department of Human Services, the Department of Health, and the Department of Corrections; make recommendations to the ~~State~~ Minnesota Competency Attainment Board regarding competency attainment curriculum, certification requirements for competency attainment programs including jail-based programs, and certification of individuals to provide competency attainment services; and provide information and recommendations on other issues relevant to competency attainment as requested by the board.

Sec. 22. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall make necessary cross-reference changes consistent with the renumbering. The revisor shall also make any technical and other changes necessitated by the renumbering and cross-reference changes.

Column A

611.27, subdivision 3  
611.27, subdivision 15  
611.27, subdivision 16

Column B

611.24, subdivision 2  
611.24, subdivision 3  
611.24, subdivision 4

Sec. 23. **REPEALER.**

Minnesota Statutes 2022, sections 611.20, subdivisions 3, 4, and 7; 611.25, subdivision 3; and 611.27, subdivisions 6, 9, and 12, are repealed.

ARTICLE 15  
 CIVIL LAW PROVISIONS

Section 1. Minnesota Statutes 2022, section 5B.02, is amended to read:

**5B.02 DEFINITIONS.**

(a) For purposes of this chapter and unless the context clearly requires otherwise, the definitions in this section have the meanings given them.

(b) "Address" means an individual's work address, school address, or residential street address, as specified on the individual's application to be a program participant under this chapter.

(c) "Applicant" means an adult, a parent or guardian acting on behalf of an eligible minor, or a guardian acting on behalf of an incapacitated person, as defined in section 524.5-102.

(d) "Domestic violence" means an act as defined in section 518B.01, subdivision 2, paragraph (a), and includes a threat of such acts committed against an individual in a domestic situation, regardless of whether these acts or threats have been reported to law enforcement officers.

(e) "Eligible person" means an adult, a minor, or an incapacitated person, as defined in section 524.5-102 for whom there is good reason to believe (1) that the eligible person is a victim of domestic violence, sexual assault, or harassment or stalking, or (2) that the eligible person fears for the person's safety, the safety of another person who resides in the same household, or the safety of persons on whose behalf the application is made. In order to be an eligible person, an individual must reside in Minnesota in order to be an eligible person or must certify that the individual intends to reside in Minnesota within 60 days. A person registered or required to register as a predatory offender under section 243.166 or 243.167, or the law of another jurisdiction, is not an eligible person.

(f) "Mail" means first class letters and flats delivered via the United States Postal Service, including priority, express, and certified mail, and excluding (1) periodicals and catalogues, and (2) packages and parcels unless they are clearly identifiable as nonrefrigerated pharmaceuticals or clearly indicate that they are sent by the federal government or a state or county government agency of the continental United States, Hawaii, District of Columbia, or United States territories.

(g) "Program participant" means an individual certified as a program participant under section 5B.03.

(h) "Harassment" or "stalking" means acts criminalized under section 609.749 and includes a threat of such acts committed against an individual, regardless of whether these acts or threats have been reported to law enforcement officers.

Sec. 2. Minnesota Statutes 2022, section 5B.03, subdivision 3, is amended to read:

Subd. 3. **Certification.** (a) Upon filing a completed application, the secretary of state shall certify the eligible person as a program participant. Unless the program participant is not a Minnesota resident, program participants shall must be certified for four years following the date of filing unless the certification is canceled, withdrawn or invalidated before that date. Applicants from outside of Minnesota must be certified for 60 days. Upon receiving notice that the participant has moved to Minnesota, the participant must be certified for four years following the date of filing unless the certification is canceled, withdrawn, or invalidated before that date. The secretary of state shall by rule establish a renewal procedure.

(b) Certification under this subdivision is for the purpose of participation in the confidentiality program established under this chapter only. Certification must not be used as evidence or be considered for any purpose in any civil, criminal, or administrative proceeding related to the behavior or actions giving rise to the application under subdivision 1.

Sec. 3. Minnesota Statutes 2022, section 5B.04, is amended to read:

#### **5B.04 CERTIFICATION CANCELLATION.**

(a) If the program participant obtains a legal change of identity, the participant loses certification as a program participant.

(b) The secretary of state may cancel a program participant's certification if there is a change in the program participant's legal name or contact information, unless the program participant or the person who signed as the applicant on behalf of an eligible person provides the secretary of state with prior notice in writing of the change.

(c) The secretary of state may cancel certification of a program participant if mail forwarded by the secretary to the program participant's address is returned as nondeliverable.

(d) The secretary of state may cancel a program participant's certification if the program participant is no longer an eligible person.

(e) The secretary of state shall cancel certification of a program participant who applies using false information.

(f) The secretary of state shall cancel certification of a program participant who does not reside in Minnesota within 60 days of Safe at Home certification.

Sec. 4. Minnesota Statutes 2022, section 5B.05, is amended to read:

**5B.05 USE OF DESIGNATED ADDRESS.**

(a) When a program participant presents the address designated by the secretary of state to any person or entity, that address must be accepted as the address of the program participant. The person ~~may~~ or entity must not require the program participant to submit any address that could be used to physically locate the participant either as a substitute or in addition to the designated address, or as a condition of receiving a service or benefit, unless the service or benefit would be impossible to provide without knowledge of the program participant's physical location. Notwithstanding a person's or entity's knowledge of a program participant's physical location, the person or entity must use the program participant's designated address for all mail correspondence with the program participant, unless the participant owns real property through a limited liability company or trust. A person or entity may only mail to an alternative address if the participant owns real property through a trust or a limited liability company and the participant has requested that the person or entity mail correspondence regarding that ownership to an alternate address.

(b) A program participant may use the address designated by the secretary of state as the program participant's work address.

(c) The Office of the Secretary of State shall forward all mail sent to the designated address to the proper program participants.

(d) If a program participant has notified a person or entity in writing, on a form prescribed by the program, that the individual is a program participant and of the requirements of this section, the person or entity must not knowingly disclose the participant's name or address identified by the participant on the notice. If identified on the notice, the ~~individual~~ person or entity receiving the notice must not knowingly disclose the program participant's name, home address, work address, or school address, unless the person to whom the address is disclosed also lives, works, or goes to school at the address disclosed, or the participant has provided written consent to disclosure of the participant's name, home address, work address, or school address for the purpose for which the disclosure will be made. This paragraph applies to the actions and reports of guardians ad litem, except that guardians ad litem may disclose the program participant's name. This paragraph does not apply to records of the judicial branch governed by rules adopted by the supreme court or government entities governed by section 13.045.

Sec. 5. Minnesota Statutes 2022, section 13.045, subdivision 3, is amended to read:

Subd. 3. **Classification of identity and location data; amendment of records; sharing and dissemination.**

(a) Identity and location data for which a program participant seeks protection under subdivision 2, paragraph (a), that are not otherwise classified by law as not public are private data on individuals.

(b) Notwithstanding any provision of law to the contrary, private or confidential location data on a program participant who submits a notice under subdivision 3, paragraph (a), may not be shared with any other government entity or nongovernmental entity unless:

(1) the program participant has expressly consented in writing to sharing or dissemination of the data for the purpose for which the sharing or dissemination will occur;

(2) the data are subject to sharing or dissemination pursuant to court order under section 13.03, subdivision 6;

(3) the data are subject to sharing pursuant to section 5B.07, subdivision 2;

(4) the location data related to county of residence are needed to provide public assistance or other government services, or to allocate financial responsibility for the assistance or services;

(5) the data are necessary to perform a government entity's health, safety, or welfare functions, including the provision of emergency 911 services, the assessment and investigation of child or vulnerable adult abuse or neglect, or the assessment or inspection of services or locations for compliance with health, safety, or professional standards; or

(6) the data are necessary to aid an active law enforcement investigation of the program participant.

(c) Data disclosed under paragraph (b), clauses (4) to (6), may be used only for the purposes authorized in this subdivision and may not be further disclosed to any other person or government entity. Government entities receiving or sharing private or confidential data under this subdivision shall establish procedures to protect the data from further disclosure.

(d) Real property record data are governed by subdivision 4a.

(e) Notwithstanding sections 15.17 and 138.17, a government entity may amend records to replace a participant's location data with the participant's designated address.

Sec. 6. Minnesota Statutes 2022, section 491A.01, subdivision 3a, is amended to read:

Subd. 3a. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed: (1) ~~\$15,000~~ \$20,000; or (2) \$4,000, if the claim involves a consumer credit transaction.

(b) "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(c) Except as otherwise provided in this subdivision and subdivisions 5 to 11, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds \$2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail.

**Sec. 7. [500.217] RESTRICTIONS ON CHILD CARE PROHIBITIONS.**

(a) Except as otherwise provided in this section and notwithstanding any covenant, restriction, or condition contained in a deed, security instrument, homeowners association document, or any other instrument affecting the transfer, sale of, or an interest in real property, a private entity must not prohibit, unreasonably restrict, or refuse to permit the owner of a dwelling from providing child care under a family and group family child care provider license under chapter 245A, and Minnesota Rules, chapter 9502. A private entity must not impose a fee, assessment, or other cost upon the owner of a dwelling in connection with providing child care.

(b) A private entity may require an owner or occupant who is seeking licensure or who is a license holder to indemnify, hold harmless, or defend the private entity against all claims, including costs and attorney fees, related to the operation of a family or group family child care program. The private entity may require each parent, guardian, or caretaker of the child being cared for in the program to sign a waiver of claims for liability, provided that the waiver is reasonable, consistent with industry standards, and does not require notarization.

(c) The homeowners association is not required to amend the homeowners association documents to meet a licensing requirement, except when the homeowners association documents are inconsistent with the requirements of this section. Nothing in this section prevents an owner or occupant from using provided or legal remedies to amend the homeowners association documents or from requesting a variance from those requirements.

(d) A license holder who is an owner occupant and all invitees are subject to the rules and regulations contained in the homeowners association documents of the private entity except where those rules and regulations conflict with this section.

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

(1) "private entity" means a homeowners association, community association, or other association that is subject to a homeowners association document; and

(2) "homeowners association document" means a document containing the declaration, articles of incorporation, bylaws, or rules and regulations of a common interest community, as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B, or a residential community that is not a common interest community.

(f) This section only applies to:

(1) a single-family detached dwelling whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building; or

(2) a multifamily attached dwelling whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building.

Sec. 8. Minnesota Statutes 2023 Supplement, section 515B.2-103, is amended to read:

**515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.**

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter.

(d) The declaration and bylaws must comply with sections 500.215 ~~and~~, 500.216, and 500.217.

Sec. 9. Minnesota Statutes 2023 Supplement, section 515B.3-102, is amended to read:

**515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

(a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association, provided that attorney fees and costs must not be charged or collected from a unit owner who disputes a fine or assessment and, if after the homeowner requests a hearing and a hearing is held by the board or a committee of the board, the board does not adopt a resolution levying the fine or upholding the assessment against the unit owner or owner's unit;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.



(c) An association that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner that:

- (1) states the amount and reason for the fine or assessment;
- (2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which a fine is being levied and the date of the levy; and (ii) the specific section of the declaration, bylaws, rules, or regulations allegedly violated;
- (3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies: (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;
- (4) states that all unpaid fines and assessments are liens which, if not satisfied, could lead to foreclosure of the lien against the owner's unit;
- (5) describes the unit owner's right to be heard by the board or a committee appointed by the board;
- (6) states that if the assessment, fine, late fees, and other allowable charges are not paid, the amount may increase as a result of the imposition of attorney fees and other collection costs; and
- (7) informs the unit owner that homeownership assistance is available from the Minnesota Homeownership Center.

(d) Notwithstanding subsection (a), powers exercised under this section must comply with sections 500.215 ~~and~~, 500.216, and 500.217.

(e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (e)(1) and the proxy expressly references this notice.

(f) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (e)(1) and (e)(2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (e) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

Sec. 10. Minnesota Statutes 2023 Supplement, section 524.5-313, is amended to read:

**524.5-313 POWERS AND DUTIES OF GUARDIAN.**

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to guardianship. ~~Failure to satisfy the needs and requirements of this clause shall be grounds for removal of a private guardian, but the guardian shall have no personal or monetary liability;~~

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to provide needed care and services. A guardian may not restrict the ability of the person subject to guardianship to communicate, visit, or interact with others, including receiving visitors or making or receiving telephone calls, personal mail, or electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe restriction is necessary because interaction with the person poses a risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid such significant harm. In all cases, the guardian shall provide written notice of the restrictions imposed to the court, to the person subject to guardianship, and to the person subject to restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

Sec. 11. Minnesota Statutes 2022, section 524.5-315, is amended to read:

**524.5-315 RIGHTS AND IMMUNITIES OF GUARDIAN; LIMITATIONS.**

(a) A guardian is entitled to reasonable compensation for services as guardian and to reimbursement for expenditures made on behalf of the person subject to guardianship, in a manner consistent with section 524.5-502.

(b) A guardian is not liable to a third person for acts of the person subject to guardianship solely by reason of the relationship. A guardian who exercises reasonable care in choosing a third person providing medical or other care, treatment, or service for the person subject to guardianship is not liable for injury to the person subject to guardianship resulting from the wrongful conduct of the third person.

(c) A guardian may not revoke the health care directive of a person subject to guardianship or conservatorship absent a court order.

(d) A guardian may not initiate the commitment of a person subject to guardianship to an institution except in accordance with section 524.5-313.

(e) Failure to satisfy the duties of a guardian under section 524.5-313, paragraph (c), shall be grounds for removal of a private guardian, but the guardian shall not be held liable for acts or omissions made in the discharge of the guardian's duties except for acts or omissions that result in harm to the person subject to guardianship and that constitute reckless or willful misconduct, or gross negligence.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action accruing on or after that date.

Sec. 12. Minnesota Statutes 2022, section 524.5-317, is amended to read:

**524.5-317 TERMINATION OR MODIFICATION OF GUARDIANSHIP; COURT ORDERS.**

(a) A guardianship terminates upon the death of the person subject to guardianship, upon the expiration of the duration of guardianship established in the order appointing the guardian, or upon order of the court.

(b) On petition of any person interested in the welfare of the person subject to guardianship the court may terminate a guardianship if the person subject to guardianship no longer needs the assistance or protection of a guardian. The court may modify the type of appointment or powers granted to the guardian if the extent of protection or assistance previously granted is currently excessive or insufficient or the capacity of the person subject to guardianship to provide for support, care, education, health, and welfare has so changed as to warrant that action. The court may make any other order that is in the best interests of the person subject to guardianship or may grant other appropriate relief.

(c) Except as otherwise ordered by the court for good cause, the court, before terminating a guardianship, shall follow the same procedures to safeguard the rights of the person subject to guardianship as apply to a petition for guardianship. Upon presentation by the petitioner of evidence establishing a prima facie case for termination, the court shall order the termination and discharge the guardian unless it is proven that continuation of the guardianship is in the best interest of the person subject to guardianship.

(d) Any documents or information disclosing or pertaining to health or financial information shall be filed as confidential documents, consistent with the bill of particulars under section 524.5-121.

(e) A guardian has the right to petition the court for discharge from the guardianship.

(f) If, after a good faith effort, the guardian is unable to find a successor guardian, the guardian may petition the court for resignation. The court may allow the guardian to resign if the resignation would not result in imminent substantial harm to the person subject to guardianship based on clear and convincing evidence.

Sec. 13. Minnesota Statutes 2022, section 548.251, subdivision 2, is amended to read:

Subd. 2. **Motion.** In a civil action, whether based on contract or tort, when liability is admitted or is determined by the trier of fact, and when damages include an award to compensate the plaintiff for losses available to the date of the verdict by collateral sources, a party may file a motion within ten days of the date of entry of the verdict requesting determination of collateral sources. If the motion is filed, the parties shall submit written evidence of, and the court shall determine:

(1) amounts of collateral sources that have been paid for the benefit of the plaintiff or are otherwise available to the plaintiff as a result of losses except those for which a subrogation right has been asserted; and

(2) amounts that have been paid, contributed, or forfeited by, or on behalf of, the plaintiff or members of the plaintiff's immediate family for the two-year period immediately before the accrual of the action and until judgment is entered to secure the right to a collateral source benefit that the plaintiff is receiving as a result of losses.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 14. Minnesota Statutes 2022, section 563.01, is amended to read:

**563.01 ~~IN FORMA PAUPERIS PROCEEDINGS~~ COURT FEE WAIVER; AUTHORIZATION.**

Subd. 2. **Expenses.** Whenever pursuant to this section the court directs expenses to be paid, the expenses shall be paid by the state.

Subd. 3. **Court fee waiver; authorization of in forma pauperis.** (a) Any court of the state of Minnesota or any political subdivision thereof may authorize the commencement or defense of any civil action, or appeal therein, without ~~prepayment~~ payment of fees, costs, and security for costs by a natural person who makes affidavit stating ~~(a)~~ (1) the nature of the action, defense or appeal, ~~(b)~~ (2) a belief that affiant is entitled to redress, and ~~(c)~~ (3) that affiant is financially unable to pay the fees, costs and security for costs.

(b) Upon a finding by the court that the action, defense, or appeal is not of a frivolous nature, the court shall allow the person to proceed ~~in forma pauperis without payment of fees, costs, and security for costs~~ if the affidavit is substantially in the language required by this subdivision and is not found by the court to be untrue. Persons ~~meeting~~ presumed to meet the requirements of this subdivision include, but are not limited to, a person who is receiving public assistance described in section 550.37, subdivision 14, who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency, or who has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), except as otherwise provided by section 563.02.

(c) If, at commencement of the action, the court finds that a party does not meet the eligibility criteria under paragraph (b), but the court also finds that the party is not able to pay all of the fees, costs, and security for costs, the court may order payment of a fee of \$75 or partial payment of the fees, costs, and security for costs, to be paid as directed by the court.

The court administrator shall transmit any fees or payments to the commissioner of management and budget for deposit in the state treasury and credit to the general fund.

(d) Notwithstanding paragraph (a), a person who is represented by a civil legal services program or a volunteer attorney program based on indigency may be allowed to proceed without payment of fees, costs, and security for costs without additional findings if the attorney representing the person submits an affidavit or makes an oral attestation during a court proceeding stating that civil legal services or a volunteer attorney program services are being provided to the client.

Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the sheriff of any Minnesota county shall perform their duties without charge to the person proceeding ~~in forma pauperis with a court fee waiver~~. The court shall direct payment of the reasonable expense of service of process pursuant to subdivision 2 if served by a private process server, if the sheriff is unavailable, or by publication.

Subd. 5. **Witness fees.** If the court finds that a witness, including an expert witness, has evidence material and necessary to the case and is within the state of Minnesota, the court shall direct payment of the reasonable expenses incurred in subpoenaing the witness, if necessary, and in paying the fees and costs of the witness.

Subd. 6. **Deposition expenses.** If the court finds that a deposition and transcript thereof are necessary to adequately prepare, present or decide an issue presented by the action, the court shall direct payment of the reasonable expenses incurred in taking the deposition and in obtaining the transcript thereof.

Subd. 7. **Transcript expenses.** If the court finds that a transcript of any part or all of the action is necessary to adequately prepare, present or decide an issue presented by the action, the court shall direct the payment of the reasonable expenses incurred in obtaining the transcript.

Subd. 7a. **Copy costs.** The court administrator shall provide a person who is proceeding ~~in forma pauperis~~ with a court fee waiver under subdivision 3 with a copy of the person's court file without charge.

Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting permission to proceed ~~in forma pauperis following application in the manner~~ with a court fee waiver as provided in subdivision 3, direct payment of the reasonable expenses incurred in obtaining the record and reproducing the appellate briefs.

Subd. 8a. **Reimbursement.** Following commencement of the action, the court may order reimbursement of all or a portion of any fees, costs, and security for costs if the party either (1) no longer meets the eligibility criteria under subdivision 3, paragraph (b); or (2) the amount ordered under subdivision 3, paragraph (c), is no longer appropriate because the party is able to pay a higher amount. The reimbursement must be paid as directed by the court.

Subd. 9. **~~Rescinding in forma pauperis status~~ court fee waiver authorization.** Upon motion, the court may rescind its permission to proceed ~~in forma pauperis~~ with a court fee waiver under subdivision 3 if it finds the allegations of poverty contained in the affidavit are untrue, or if, following commencement of the action, the party becomes able to pay the fees, costs and security for the costs. In such cases, the court may direct the party to pay to the court administrator any costs allowing the action to proceed. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action as in other cases. In the event any person recovers moneys by either settlement or judgment as a result of commencing or defending an action ~~in forma pauperis~~ with a court fee waiver under subdivision 3, the costs deferred and the expenses directed by the court to be paid under this section shall be included in such moneys and shall be paid directly to the court administrator by the opposing party. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Subd. 11. **Fraud; perjury.** A person who fraudulently invokes the privilege of this section shall be guilty of perjury and shall, upon conviction thereof, be punished as provided in section 609.48.

Subd. 12. **Not supersede other remedies.** The provisions of this section do not replace or supersede remedies otherwise provided by law.

## ARTICLE 16 CONTRACTS FOR DEED

Section 1. Minnesota Statutes 2022, section 272.12, is amended to read:

### **272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.**

When:

- (a) a deed or other instrument conveying land,
- (b) a plat of any townsite or addition thereto,
- (c) a survey required pursuant to section 508.47,

(d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or

(e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein within four months of the execution of the contract for deed, or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents evidencing the termination of a contract for deed as described in section 559.213, deeds of distribution made by a personal representative in probate proceedings, transfer on death deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate to the extent provided in section 515B.1-116(e).

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

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



Sec. 2. Minnesota Statutes 2022, section 507.235, subdivision 1a, is amended to read:

Subd. 1a. **Requirements of vendor.** (a) A vendor entering into a contract for deed involving residential real property must, contemporaneously with the execution of the contract for deed:

~~(1) deliver to the vendee a copy of the contract for deed containing original signatures in recordable form; and~~

~~(2) (b) Within four months of the execution of the contract for deed, the vendor must:~~

~~(1) pay, or reimburse the vendee for payment of, any delinquent taxes necessary for recordation of the contract for deed, unless the contract for deed provides for the vendee to pay the delinquent taxes; and~~

~~(2) record the contract for deed in the office of the county recorder or registrar of titles in the county in which the land is located.~~

~~(c) The following statement included in a contract for deed for other than residential real property shall constitute prima facie evidence that this subdivision does not apply: "The property is not residential real property."~~

~~(d) If the contract for deed is not in recordable form, within four months of the execution of the contract for deed, the vendor must make a good faith effort to correct the defects that rendered the contract unrecordable. A good faith effort includes but is not limited to determining the reason or reasons why the contract was not in recordable form, and revising and, if necessary, having all parties re-execute, the contract to render it in recordable form. The vendee must, in good faith, cooperate with the vendor to the extent that cooperation is necessary to correct the defects.~~

~~(b) (e) For purposes of this subdivision:~~

~~(1) "contract for deed" means an executory contract for the conveyance of residential real property under which the seller provides financing for the purchase of the residential real property and under which the purchaser does or has a right to go into possession. Contract for deed does not include:~~

~~(i) a purchase agreement;~~

~~(ii) an earnest money contract;~~

~~(iii) an exercised option or a lease, including a lease with an option to purchase; or~~

~~(iv) a mortgage, as defined in section 287.01; and~~

~~(2) "residential real property" means real property occupied, or intended to be occupied, by one to four families, if the purchaser intends to occupy the real property consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:~~

~~(i) the purchaser;~~

~~(ii) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or~~

~~(iii) if the purchaser is a trust, the settlor of the trust.~~

Residential real property does not include ~~property subject to a family farm security loan or~~ a transaction subject to sections 583.20 to 583.32.

(f) The performance of the obligations by the vendor required under this subdivision satisfies any of the obligations of the original vendee, as required under subdivision 1.

(g) The requirements of this subdivision may not be waived or altered by any provision in a contract for deed. A provision in a contract for deed to the contrary is void and unenforceable.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 3. Minnesota Statutes 2022, section 507.235, subdivision 5, is amended to read:

Subd. 5. **Civil enforcement.** (a) A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may enforce the provisions of this section. The city or county may bring an action to compel the recording of a contract for deed or any assignments of a contract for deed, an action to impose the civil penalty, or an action to compel disclosure of information.

(b) Prior to bringing an action under this subdivision to compel recording or to impose the penalty, ~~or an action under subdivision 4,~~ the city or county must provide written notice to the person, subject to subdivision 1, of the person's duty to record the contract for deed or the assignment. If the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice, an action may be brought.

(c) It is an affirmative defense in an enforcement action under this section that the contract for deed or assignment document is not recordable, or that section 272.121 prohibits the recording of the contract for deed or assignment, and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

(d) In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees.

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

Sec. 4. Minnesota Statutes 2022, section 513.73, subdivision 3, is amended to read:

Subd. 3. **Private transfer fee.** "Private transfer fee" means a fee or charge required by a private transfer fee obligation and payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price, or other consideration given for the transfer. The following are not private transfer fees for purposes of this section:

(1) consideration payable by the grantee to the grantor for the interest in real property being transferred, including any subsequent additional consideration for the property payable by the grantee based upon any subsequent appreciation, development, or sale of the property, provided that the additional consideration is payable on a onetime basis only, and the obligation to make the payment does not bind successors in title to the property. For the purposes of this clause, an interest in real property may include a separate mineral estate and its appurtenant surface access rights;

(2) commission payable to a licensed real estate broker for the transfer of real property pursuant to an agreement between the broker and the grantor or the grantee, including any subsequent additional commission for that transfer payable by the grantor or the grantee based upon any subsequent appreciation, development, or sale of the property;

(3) interest, charges, fees, or other amounts payable by a borrower to a lender pursuant to a loan secured by a mortgage against real property, including but not limited to a fee payable to the lender for consenting to an assumption of the loan or a transfer of the real property subject to the mortgage, fees, or charges payable to the lender for estoppel letters or certificates, and shared appreciation interest or profit participation or other consideration and payable to the lender in connection with the loan;

(4) rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor under a lease, including but not limited to a fee payable to the lessor for consenting to an assignment, subletting, encumbrance, or transfer of the lease;

(5) consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon the transfer of the property to another person;

~~(6) consideration payable by a contract for deed vendee to the vendor pursuant to the terms of a recorded contract for deed, including any subsequent additional consideration for the property payable by the vendee based upon any subsequent appreciation, development, or sale of the property;~~

~~(7) (6)~~ a tax, fee, charge, assessment, fine, or other amount payable to or imposed by a governmental authority;

~~(8) (7)~~ a fee, charge, assessment, fine, or other amount payable to a homeowner's condominium, cooperative, mobile home, or property owner's association pursuant to a declaration or covenant or law applicable to the association, including but not limited to fees or charges payable for estoppel letters or certificates issued by the association or its authorized agent;

~~(9) (8)~~ a fee, a charge, an assessment, dues, a contribution, or other amount pertaining to the purchase or transfer of a club membership relating to real property owned by the member, including but not limited to any amount determined by reference to the value, purchase price, or other consideration given for the transfer of the real property; and

~~(10) (9)~~ a mortgage from the purchaser of real property granted to the seller or to a licensed real estate broker.

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

Sec. 5. Minnesota Statutes 2022, section 559.21, subdivision 2a, is amended to read:

Subd. 2a. **For post 7/31/1985 contract.** If a default occurs in the conditions of a contract for the conveyance of real estate or an interest in real estate executed on or after August 1, 1985, that gives the seller a right to terminate it, the seller may terminate the contract by serving upon the purchaser or the purchaser's personal representatives or assigns, within or outside of the state, a notice specifying the conditions in which default has been made. The notice must state that the contract will terminate 60 days, or a shorter period allowed or a longer period required in subdivision 4, after the service of the notice, unless prior to the termination date the purchaser:

(1) complies with the conditions in default;

(2) makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service of the notice, including the reasonable costs of service by sheriff, public officer, or private process server; except payment of costs of service is not required unless the seller notifies the purchaser of the actual costs of service by certified mail to the purchaser's last known address at least ten days prior to the date of termination;

(4) except for earnest money contracts, purchase agreements, and exercised options, pays two percent of any amount in default at the time of service, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) if the contract for deed is executed on or after August 1, 2024, pays an amount to apply on attorneys' fees actually expended or incurred of \$1,000; if the contract is executed on or after August 1, 1999, and before August 1, 2024, pays an amount to apply on attorneys' fees actually expended or incurred, of \$250 if the amount in default is less than \$1,000, and of \$500 if the amount in default is \$1,000 or more; or if the contract is executed before August 1, 1999, pays an amount to apply on attorneys' fees actually expended or incurred, of \$125 if the amount in default is less than \$750, and of \$250 if the amount in default is \$750 or more; except that no amount for attorneys' fees is required to be paid unless some part of the conditions of default has existed for at least 30 days prior to the date of service of the notice.

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

Sec. 6. Minnesota Statutes 2022, section 559.21, subdivision 4, is amended to read:

Subd. 4. **Law prevails over contract; procedure; conditions.** (a) The notice required by this section must be given notwithstanding any provisions in the contract to the contrary, except that (1) earnest money contracts, purchase agreements, and exercised options that are subject to this section may, unless by their terms they provide for a longer termination period, be terminated on 30 days' notice, or may be canceled under section 559.217 and (2) contracts for deed executed by an investor seller shall be terminated on 90 days' notice. The notice must be served within the state in the same manner as a summons in the district court, and outside of the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice outside of the state may be proved by the affidavit of the person making the same, made before an authorized officer having a seal, and within the state by such an affidavit or by the return of the sheriff of any county therein.

(b) If a person to be served is a resident individual who has departed from the state, or cannot be found in the state; or is a nonresident individual or a foreign corporation, partnership, or association, service may be made by publication as provided in this paragraph. Three weeks' published notice has the same effect as personal service of the notice. The published notice must comply with subdivision 3 and state (1) that the person to be served is allowed 90 days after the first date of publication of the notice to comply with the conditions of the contract, and (2) that the contract will terminate 90 days after the first date of publication of the notice, unless before the termination date the purchaser complies with the notice. If the real estate described in the contract is actually occupied, then, in addition to publication, a person in possession must be personally served, in like manner as the service of a summons in a civil action in state district court, within 30 days after the first date of publication of the notice. If an address of a person to be served is known, then within 30 days after the first date of publication of the notice a copy of the notice must be mailed to the person's last known address by first class mail, postage prepaid.

(c) The contract is reinstated if, within the time mentioned, the person served:

(1) complies with the conditions in default;

(2) if subdivision 1d or 2a applies, makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service as provided in subdivision 1b, 1c, 1d, or 2a;

(4) if subdivision 2a applies, pays two percent of the amount in default, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) pays attorneys' fees as provided in subdivision 1b, 1c, 1d, or 2a.

(d) The contract is terminated if the provisions of paragraph (c) are not met.

(e) In the event that the notice was not signed by an attorney for the seller and the seller is not present in the state, or cannot be found in the state, then compliance with the conditions specified in the notice may be made by paying to the court administrator of the district court in the county wherein the real estate or any part thereof is situated any money due and filing proof of compliance with other defaults specified, and the court administrator of the district court shall be deemed the agent of the seller for such purposes. A copy of the notice with proof of service thereof, and the affidavit of the seller, the seller's agent or attorney, showing that the purchaser has not complied with the terms of the notice, may be recorded with the county recorder or registrar of titles, and is prima facie evidence of the facts stated in it; but this section in no case applies to contracts for the sale or conveyance of lands situated in another state or in a foreign country. If the notice is served by publication, the affidavit must state that the affiant believes that the party to be served is not a resident of the state, or cannot be found in the state, and either that the affiant has mailed a copy of the notice by first class mail, postage prepaid, to the party's last known address, or that such address is not known to the affiant.

(f) No notice under this section may be given for a contract for deed executed by an investor seller unless, at least 30 days prior to the service of the notice, some part of the conditions of default has existed and the investor seller has notified the purchaser of such conditions of default by certified mail to the purchaser's last known address.

(g) For purposes of this subdivision, "investor seller" has the meaning given in section 559A.01, subdivision 6.

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

Sec. 7. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

Subd. 4a. **Termination prohibited for certain transfers regarding residential real property.** (a) Notwithstanding any provisions in a contract for deed to the contrary, the notice under this section may not be given and no other remedies may be exercised for any contract for deed based on any of the following transfers:

(1) a transfer on death deed conveying or assigning the deceased purchaser's interest in the property to a grantee beneficiary;

(2) a transfer by devise, descent, or operation of law on the death of a joint tenant occurs;

(3) a transfer by which the spouse or children of the purchaser become an owner of the property;

(4) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the purchaser becomes an owner of the property; or

(5) a transfer into an inter vivos trust by which the purchaser is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the property.

(b) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 8. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

**Subd. 4b. Termination prohibited if vendor fails to record contracts for deed involving residential real property.** (a) Notwithstanding subdivision 2a or any provision to the contrary in a contract for deed, a vendor may not terminate a contract for deed under this section if the contract has not been recorded as required under section 507.235, subdivision 1a, paragraph (b), and the vendor has failed to make a good faith effort to record the contract as provided under section 507.235, subdivision 1a, paragraph (d).

(b) Nothing contained in this subdivision bars judicial termination of a contract for deed.

(c) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 9. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

**Subd. 9. Affidavit of seller constituting prima facie evidence.** In any instance where the copy of the notice of default, proof of service of the notice, and an affidavit showing that the purchaser has not complied with the terms of the notice have been or may be recorded, an affidavit of the seller, the seller's agent, or attorney verified by a person having knowledge of the facts and attesting that the property is not residential real property, the seller is not an investor seller or the seller has complied with the requirements of subdivision 4, paragraph (f), may be recorded with the county recorder or registrar of titles and is prima facie evidence of the facts stated in the affidavit.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 10. Minnesota Statutes 2022, section 559.211, subdivision 1, is amended to read:

**Subdivision 1. Order; proceedings; security.** (a) In an action arising under or in relation to a contract for the conveyance of real estate or any interest therein, the district court, notwithstanding the service or publication pursuant to the provisions of section 559.21 of a notice of termination of the contract, has the authority at any time prior to the effective date of termination of the contract and subject to the requirements of rule 65 of the Rules of Civil Procedure for the District Courts to enter an order temporarily restraining or enjoining further proceedings to effectuate the termination of the contract, including recording of the notice of termination with proof of service, recording of an affidavit showing noncompliance with the terms of the notice, taking any action to recover possession of the real estate, or otherwise interfering with the purchaser's lawful use of the real estate. In the action, the purchaser may plead affirmatively any matter that would constitute a defense to an action to terminate the contract.

(b) Upon a motion for a temporary restraining order the court has the discretion, notwithstanding any rule of court to the contrary, to grant the order without requiring the giving of any security or undertaking, and in exercising that discretion, the court shall consider, as one factor, the moving party's ability to afford monetary security. Upon a motion for a temporary injunction, the court shall condition the granting of the order either upon the tender to the court or vendor of installments as they become due under the contract or upon the giving of other security in a sum as the court deems proper. Upon written application, the court may disburse from payments tendered to the court an amount the court determines necessary to insure the timely payment of property taxes, property insurance, installments of special assessments, mortgage installments, prior contract for deed installments or other similar expenses directly affecting the real estate, or for any other purpose the court deems just.

(c) If a temporary restraining order or injunction is granted pursuant to this subdivision, the contract shall not terminate until the expiration of 15 days after the entry of the order or decision dissolving or modifying the temporary restraining order or injunction. If the vendor has made an appearance and the restraining order or injunction is granted, the court may award court filing fees, reasonable attorneys' fees, and costs of service to the purchaser.

(d) If the court subsequently grants permanent relief to the purchaser or determines by final order or judgment that the notice of termination was invalid or the purchaser asserted a valid defense, the purchaser is entitled to an order granting court filing fees, reasonable attorneys' fees, and costs of service.

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

Sec. 11. Minnesota Statutes 2022, section 559.213, is amended to read:

**559.213 PRIMA FACIE EVIDENCE OF TERMINATION.**

The recording, heretofore or hereafter, of the copy of notice of default, proof of service thereof, and the affidavit showing that the purchaser has not complied with the terms of the notice, provided for by ~~Minnesota Statutes 1941,~~ section 559.21, shall be prima facie evidence that the contract referred to in such notice has been terminated. It shall not be necessary to pay current or delinquent real estate taxes owed on the real property which is the subject of the contract to record the documents required by this section, provided that the documents must be first presented to the county auditor for entry upon the transfer record and must have "Transfer Entered" noted in them over the county auditor's official signature.

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

Sec. 12. **[559A.01] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 559A.01 to 559A.05.

Subd. 2. **Balloon payment.** "Balloon payment" means a scheduled payment of principal, interest, or both under a contract for deed that is significantly larger than the regular installment payments and that may be due prior to the end of the contract term or may be the final payment that satisfies the contract.

Subd. 3. **Churning.** "Churning" means the act of an investor seller executing a contract for deed on or after August 1, 2024, if previously the investor had frequently or repeatedly executed contracts for deed and subsequently terminated those contracts under section 559.21.

Subd. 4. **Contract for deed.** "Contract for deed" has the meaning given in section 507.235, subdivision 1a.

Subd. 5. **Investor seller.** (a) "Investor seller" means a person entering into a contract for deed to sell residential real property, or, in the event of a transfer or assignment of the seller's interest, the holder of the interest.

(b) An investor seller does not include a person entering into a contract for deed who is:

(1) a natural person who has owned and occupied the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed;

(2) any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(3) a personal representative of the natural person;

(4) a devisee of the natural person;

(5) a grantee under a transfer on death deed made by the natural person; or

(6) a trust whose settlor is the natural person;

(7) a trust whose beneficiary is a natural person where the trust or the natural person, or a combination of the two, has owned, and the natural person has occupied, the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed, or any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(8) a natural person selling on contract for deed to any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin;

(9) a bank, credit union, or residential mortgage originator that is under the supervision of or regulated by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or the Minnesota Department of Commerce;

(10) a natural person who has owned and leased the residential real property to the purchaser for at least the prior two years; or

(11) the person who built the dwelling on the residential real estate and the dwelling has not previously been occupied.

(c) If, substantially contemporaneous with the execution of the contract for deed, the seller's interest is assigned or transferred to a person who does not meet any of the qualifications of paragraph (b), the assignee or transferee shall be deemed to be an investor seller who has executed the contract for deed.

Subd. 6. **Person.** "Person" means a natural person, partnership, corporation, limited liability company, association, trust, or other legal entity, however organized.

Subd. 7. **Purchase agreement.** "Purchase agreement" means a purchase agreement for a contract for deed, an earnest money contract, or an executed option contemplating that, at closing, the investor seller and the purchaser will enter into a contract for deed.

Subd. 8. **Purchaser.** "Purchaser" means a person who executes a contract for deed to purchase residential real property. Purchaser includes all purchasers who execute the same contract for deed to purchase residential real property.

Subd. 9. **Residential real property.** "Residential real property" means real property consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:

(1) the purchaser;

(2) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or

(3) if the purchaser is a trust, the settlor or beneficiary of the trust.

Residential real property does not include a transaction subject to sections 583.20 to 583.32.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.



Sec. 13. **[559A.02] APPLICABILITY.**

This chapter applies only to residential real property where a purchaser is entering into a contract for deed with an investor seller. Either of the following statements included in a contract for deed in which the property is not residential real property or the seller is not an investor seller shall constitute prima facie evidence that this chapter does not apply to the contract for deed: "The property is not residential real property" or "The seller is not an investor seller." A person examining title to the property may rely on either statement.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 14. **[559A.03] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DISCLOSURES.**

**Subdivision 1. Disclosures required.** (a) In addition to the disclosures required under sections 513.52 to 513.61, an investor seller must deliver to a prospective purchaser the disclosures specified under this section and instructions for cancellation as provided under section 559A.04, subdivision 2, paragraph (b).

(b) The disclosures must be affixed to the front of any purchase agreement executed between an investor seller and a prospective purchaser. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after the execution of the purchase agreement by all parties and provision by the investor seller of the disclosures required under this section and instructions for cancellation as required under section 559A.04, subdivision 2, paragraph (b).

(c) If there is no purchase agreement, an investor seller must provide the disclosures required under this section to the prospective purchaser no less than ten calendar days before the prospective purchaser executes the contract for deed. The disclosures must be provided in a document separate from the contract for deed. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after providing the disclosures to the prospective purchaser.

(d) The first page of the disclosures must contain the disclosures required in subdivisions 2, 3, and 4 of this section, in that order. The title must be centered, be in bold, capitalized, and underlined 20-point type, and read "IMPORTANT INFORMATION YOU NEED TO KNOW." The disclosures required under subdivisions 5 and 6 must follow in subsequent pages in that order.

(e) The investor seller must acknowledge delivery, and the purchaser must acknowledge receipt, of the disclosures by signing and dating the disclosures. The acknowledged disclosures shall constitute prima facie evidence that the disclosures have been provided as required by this section.

**Subd. 2. Disclosure of balloon payment.** (a) The investor seller must disclose the amount and due date of, if any, all balloon payments. For purposes of disclosure of a balloon payment, the investor seller may assume that all prior scheduled payments were timely made and no prepayments were made. If there is more than one balloon payment due, each one must be listed separately.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

**"BALLOON PAYMENT**

This contract contains a lump-sum balloon payment or several balloon payments. When the final balloon payment comes due, you may need to get mortgage or other financing to pay it off (or you will have to sell the property). Even if you are able to sell the property, you may not get back all the money you paid for it.

If you can't come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract.

**Amount of Balloon Payment**

\$ (amount)

**When Balloon Payment is Due**

(month, year)"

Subd. 3. **Disclosure of price paid by investor seller to acquire property.** (a) The investor seller must disclose to the purchaser the purchase price and the date of earliest acquisition of the property by the investor seller, unless the acquisition occurs more than two years prior to the execution of the contract for deed.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

**"INVESTOR SELLER'S PRICE TO BUY HOUSE BEING SOLD TO BUYER**

**Date Investor Seller Acquired Property:**

(date seller acquired ownership)

**Price Paid by Investor Seller to Acquire the Property:**

\$ (total purchase price paid by seller to acquire ownership)

**Contract for Deed Purchase Price:**

\$ (total sale price to the purchaser under the contract)"

(c) For the purposes of this subdivision, unless the acquisition occurred more than one year prior to the execution of the contract for deed, the person who first acquires the property is deemed to be the same person as the investor seller where the person who first acquires the property:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

Subd. 4. **Disclosure of other essential terms.** (a) An investor seller must disclose to the prospective purchaser the purchase price, the annual interest rate, the amount of any down payment, and whether the purchaser is responsible for any or all of the following: paying property taxes, acquiring homeowner's insurance, making repairs, and maintaining the property.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

**"COSTS AND ESSENTIAL TERMS**

- |  |   |
|--|---|
| <u>1. Purchase Price:</u>              | <u>\$ (price)</u>                         |
| <u>2. Annual Interest Rate:</u>        | <u>(interest rate) %</u>                  |
| <u>3. Down payment:</u>                | <u>\$ (down payment)</u>                  |
| <u>4. Monthly/Period Installments:</u> | <u>\$ (amount of installment payment)</u> |

5. Taxes, Homeowner's Insurance, Repairs and Maintenance:

You (seller must circle one):

- |                |                |  |
|----------------|----------------|--|
| <u>(a) DO</u>  | <u>DO NOT</u>  | <u>have to pay property taxes</u>                          |
| <u>(b) DO</u>  | <u>DO NOT</u>  | <u>have to pay homeowner's insurance</u>                   |
| <u>(c) ARE</u> | <u>ARE NOT</u> | <u>responsible for repairs and</u><br><u>maintenance."</u> |

Subd. 5. **General disclosure.** (a) An investor seller must provide the prospective purchaser with a general disclosure about contracts for deeds as provided in this subdivision.

(b) The disclosure must be in the following form, with the title in 18-point type, the titles of the sections in 14-point type and underlined, and the text of each section in 12-point type, with a double space between each section:

**"KNOW WHAT YOU ARE GETTING INTO BEFORE YOU SIGN**

**1. How Contracts for Deed Work**

A contract for deed is a complicated legal arrangement. Be sure you know exactly what you are getting into before you sign a contract for deed. A contract for deed is **NOT** a mortgage. Minnesota's foreclosure protections do **NOT** apply.

**You should get advice from a lawyer or the Minnesota Homeownership Center before you sign the contract.** You can contact the Homeownership Center at 1-(866)-462-6466 or go to [www.hocmn.org](http://www.hocmn.org).

**2. What If I Can't Make My Payments?**

If you don't make your monthly installment payment or the balloon payment, the seller can cancel the contract in only 120 days from the date you missed the payment. If the contract is canceled, **you lose your home and all the money you have paid, including any down payment, all the monthly payments, and any improvements to the property you have made.**

If the contract contains a final lump-sum "balloon payment," you will need to get a mortgage or other financing to pay it off (**or you will have to sell the property**). If you can't come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract. **Even if you are able to sell the property, you may not get back all the money you have paid for it.**

### **3. BEFORE YOU SIGN, YOU SHOULD:**

**A. Get an Independent, Professional Appraisal** of the property to learn what it's worth and make sure you are not overpaying for the house.

**B. Get an Independent, Professional Inspection** of the property because you will probably be responsible for maintaining and making repairs on the house.

**C. Buy Title Insurance** from a title insurance company or ask a lawyer for a "title opinion" to address or minimize potential title problems.

### **4. YOUR RIGHTS BEFORE YOU SIGN**

**A. Waiting Period After Getting Disclosures** There is a 10 calendar day waiting period after you get these disclosures. The contract for deed cannot be signed by you or the seller during that 10 calendar day period.

**B. Canceling a Purchase Agreement** You have 10 calendar days after you get these disclosures to cancel your purchase agreement and get back any money you paid."

Subd. 6. **Amortization schedule.** In a document separate from all others, an investor seller must provide to the prospective purchaser an amortization schedule consistent with the contract for deed, including the portion of each installment payment that will be applied to interest and to principal and the amount and due date of any balloon payments.

Subd. 7. **Disclosures in other languages.** If the contract was advertised or primarily negotiated with the purchaser in a language other than English, the investor seller must provide the disclosures required in this section in the language in which the contract was advertised or primarily negotiated.

Subd. 8. **No waiver.** The provisions of this section may not be waived.

Subd. 9. **Effects of violation.** Except as provided in section 559A.05, subdivision 2, a violation of this section has no effect on the validity of the contract for deed.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

### **Sec. 15. [559A.04] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; RIGHTS AND REQUIREMENTS.**

Subdivision 1. **Requirement of investor seller if property subject to mortgage.** An investor may not execute a contract for deed that is subject to a mortgage with a due-on-sale clause and not expressly assumed by the contract for deed purchaser unless the investor seller has:

(1) procured a binding agreement with the mortgage holder whereby the holder either consents to the sale of the property to the purchaser by contract for deed or agrees not to exercise the holder's rights under a due-on-sale clause in the mortgage based on the contract for deed; and

(2) in the contract:

(i) disclosed the existence of the investor seller's mortgage;

(ii) covenants that the investor seller will perform all obligations under the mortgage; and

(iii) expressly represents to the purchaser that the seller has procured the binding agreement required under clause (1).

Subd. 2. **Right to cancel purchase agreement.** (a) A prospective purchaser may cancel a purchase agreement prior to the execution by all parties of the contract for deed or within ten calendar days of receiving the disclosures required under section 559A.03, whichever is earlier. A purchaser's execution of the contract for deed earlier than ten calendar days of receiving the disclosures shall not excuse, constitute a waiver of, or constitute a defense regarding an investor seller's violation of section 559A.03, subdivision 1, paragraph (b) or (c).

(b) In addition to the disclosures required under section 559A.03, an investor seller must provide the prospective purchaser with notice of the person to whom, and the mailing address to where, cancellation of the purchase agreement must be delivered or sent. Cancellation of the purchase agreement is effective upon personal delivery or upon mailing.

(c) In the event of cancellation or if no purchase agreement has been signed and the prospective purchaser elects not to execute the contract for deed, the investor seller may not impose a penalty or fee and must promptly refund all payments made by the prospective purchaser.

Subd. 3. **Duty of investor seller to account.** The investor seller must inform the purchaser in a separate writing of the right to request an annual accounting. Upon reasonable written request by the purchaser and no more than once every calendar year, an investor seller must provide an accounting of:

(1) all payments made pursuant to the contract for deed during the prior calendar year with payments allocated between interest and principal;

(2) any delinquent payments;

(3) the total principal amount remaining to satisfy the contract for deed; and

(4) the anticipated amounts and due dates of all balloon payments.

Subd. 4. **Churning prohibited.** (a) An investor seller is prohibited from churning. There is a rebuttable presumption that the investor seller has violated this subdivision if, on or after August 1, 2024, the investor seller executes a contract for deed and, within the previous 48 months, the investor seller either:

(1) had completed two or more termination proceedings under section 559.21 on the same residential real property being sold by the contract for deed; or

(2) had completed four or more termination proceedings under section 559.21 on contracts for deed for any residential real property, where terminated contracts comprise 20 percent or more of all contracts executed by the investor seller during that period.

(b) Nothing contained in this subdivision or in section 559A.01, subdivision 3, shall invalidate, impair, affect, or give rise to any cause of action with respect to any contract for deed or termination proceeding under section 559.21 used as a predicate to establish the presumption under paragraph (a).

(c) For the purposes of this subdivision, a person who sold residential real property on a contract for deed is deemed to be the same person as the investor seller where the person who sold on a contract for deed:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

**Subd. 5. Duty of investor seller to refund down payments.** (a) If an investor seller terminates a contract for deed under section 559.21 within 48 months of executing the contract, any portion of the down payment that exceeded ten percent of the purchase price shall be refunded to the purchaser within 180 days of the termination of the contract.

(b) Upon delivery to the purchaser by the investor seller of reasonable documentation that any of the following expenses were incurred or taxes and contract payments were unpaid, an investor seller may offset against the refund for, as applicable:

(1) any unpaid real estate taxes for the period prior to termination of the contract;

(2) any unpaid insurance premiums for the period prior to termination of the contract incurred by the investor seller;

(3) the reasonable cost of necessary repairs for damage to the residential real property caused by the purchaser, beyond ordinary wear and tear, incurred by the investor seller;

(4) attorney fees, not to exceed \$1,000, and costs of service incurred in connection with the termination of the contract;

(5) any unpaid utility arrears for the period prior to termination of the contract incurred by the investor seller; and

(6) one-half of the unpaid monthly contract installment payments, exclusive of balloon payments, that accrued prior to termination of the contract.

(c) If the purchaser disputes any amount that an investor seller claims as the refund or an offset, the purchaser may commence an action in district court or conciliation court to determine the amount of the refund or the offsets and recover any money owed by the investor seller to the purchaser. The purchaser is entitled to recover from the investor seller any portion of the down payment that the court finds is owed by the investor seller to the purchaser not previously paid to the purchaser. Any attorney expressly authorized by the investor seller to receive payments in the notice of termination is designated as the attorney who may receive service as agent for the investor seller in such action in the same manner as provided in section 559.21, subdivision 8.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 16. **[559A.05] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; REMEDIES FOR VIOLATION.**

**Subdivision 1. Definition.** For the purposes of this section, "material violation of section 559A.03" means:

- (1) if applicable, failure to disclose any balloon payment as required under section 559A.03, subdivision 2;
- (2) failure to disclose the price paid by the investor seller under the contract for deed to acquire property as required under section 559A.03, subdivision 3;
- (3) failure to disclose the other essential terms of the contract as required under section 559A.03, subdivision 4;
- (4) failure to provide the general disclosure in substantially the form required under section 559A.03, subdivision 5;
- (5) failure to disclose the amortization schedule as required under section 559A.03, subdivision 6;
- (6) a violation of section 559A.03, subdivision 1, paragraph (b) or (c);
- (7) a violation of section 559A.03, subdivision 7; or
- (8) a material omission or misstatement of any of the information required to be disclosed under section 559A.03.

**Subd. 2. Remedy for violation of disclosure requirements or churning.** (a) Notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may, within two years of the execution of the contract for deed, bring an action for relief for a material violation of section 559A.03 or a violation of 559A.04, subdivision 4. A prevailing purchaser may rescind a contract and, in conjunction with the rescission, may recover against the investor seller a sum equal to:

- (1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;
- (2) the reasonable value of any improvements to the residential real property made by the purchaser;
- (3) actual, consequential, and incidental damages; and
- (4) reasonable attorneys' fees and costs.

(b) A claim for rescission and a money judgment awarded under this subdivision shall not affect any rights or responsibilities of a successor in interest to the investor seller prior to the filing of a lis pendens in the action in which such relief is sought, unless it is established by clear and convincing evidence that the successor in interest had prior knowledge that the contract for deed was executed in violation of the requirements of section 559A.03 or 559A.04, subdivision 4.

(c) A purchaser barred under paragraph (b) from making a claim against a successor in interest to the investor seller may, within two years of the execution of the contract for deed, bring a claim for violation of the requirements of section 559A.03 or 559A.04, subdivision 4, against the original investor seller who entered into the contract for deed and may recover the greater of actual damages or statutory damages of \$5,000, plus reasonable attorneys' fees and costs. The original investor seller shall have no claim for indemnification or contribution against the successor in interest.

**Subd. 3. Remedy for failure of investor seller to procure agreement with mortgage holder.** (a) If a mortgage holder commences foreclosure of its mortgage based on the sale to a purchaser under the contract for deed and notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may bring an action for the failure of the investor seller to procure the agreement with the mortgage holder as required under section 559A.04, subdivision 2. A prevailing purchaser may rescind a contract and may recover against the investor seller a sum equal to:

(1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;

(2) the reasonable value of any improvements to the residential real property made by the purchaser;

(3) actual, consequential, and incidental damages; and

(4) reasonable attorneys' fees and costs.

(b) An action under this subdivision may be brought at any time and is not subject to the statute of limitations in subdivision 2, provided that, at least 30 days prior to bringing the action, a purchaser must deliver a notice of violation to the investor seller under the contract for deed personally or by United States mail.

(c) An investor seller may cure the violation at any time prior to entry of a final judgment by delivering to the purchaser either evidence of the agreement with the mortgage holder as required under section 559A.04, subdivision 2, or evidence that the mortgage holder has abandoned foreclosure of the mortgage. If the violation is cured, the purchaser's action must be dismissed. An investor seller is liable to the purchaser for reasonable attorneys' fees and court costs if the seller delivers evidence of the mortgage holder's agreement or abandonment of the foreclosure after the purchaser has commenced the action.

(d) Nothing in this subdivision shall be construed to bar or limit any other claim by a purchaser arising from the investor seller's breach of a senior mortgage.

**Subd. 4. Defense to termination.** A purchaser's right to the remedy under subdivision 2 or 3 shall constitute grounds for injunctive relief under section 559.211.

**Subd. 5. Effect of action on title.** An action under subdivision 2 or 3 is personal to the purchaser only, does not constitute an interest separate from the purchaser's interest in the contract for deed, and may not be assigned except to a successor in interest.

**Subd. 6. Rights cumulative.** The rights and remedies provided in this section are cumulative to, and not a limitation of, any other rights and remedies provided under law and at equity. Nothing in this chapter shall preclude a court from construing a contract for deed as an equitable mortgage.

**Subd. 7. Public enforcement.** The attorney general has authority under section 8.31 to investigate and prosecute violations of sections 559A.03 and 559A.04, subdivision 4.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

**Sec. 17. REPEALER.**

Minnesota Statutes 2022, sections 559.201; and 559.202, are repealed.

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



ARTICLE 17  
STATE GOVERNMENT DATA AND POLICY

Section 1. **[13.95] ADMINISTRATIVE COURTS.**

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2022, section 14.05, subdivision 7, is amended to read:

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

Sec. 3. Minnesota Statutes 2022, section 14.08, is amended to read:

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

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

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

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

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

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

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

Sec. 4. Minnesota Statutes 2022, section 14.16, subdivision 3, is amended to read:

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

Sec. 5. Minnesota Statutes 2022, section 14.26, subdivision 3a, is amended to read:

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

Sec. 6. Minnesota Statutes 2022, section 14.386, as amended by Laws 2024, chapter 90, article 1, section 1, is amended to read:

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

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

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

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

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

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

(d) This section does not apply to:

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

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

Sec. 7. Minnesota Statutes 2022, section 14.388, subdivision 2, is amended to read:

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

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

Sec. 8. Minnesota Statutes 2022, section 14.3895, subdivision 2, is amended to read:

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

Sec. 9. Minnesota Statutes 2022, section 14.3895, subdivision 6, is amended to read:

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

Sec. 10. Minnesota Statutes 2022, section 14.48, subdivision 2, is amended to read:

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

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

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

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

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

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

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

Sec. 11. **[14.525] INTERPRETERS.**

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

Sec. 12. Minnesota Statutes 2022, section 14.62, subdivision 2a, is amended to read:

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

Sec. 13. Minnesota Statutes 2022, section 15A.083, subdivision 6a, is amended to read:

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

Sec. 14. Minnesota Statutes 2022, section 16E.01, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2023 Supplement, section 16E.01, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(1) each project in the IT portfolio whose status is either active or on hold;~~

~~(2) each project presented to the office for consultation in the time since the last report;~~

~~(3) the information technology cost associated with the project;~~

~~(4) the current status of the information technology project;~~

~~(5) the date the information technology project is expected to be completed; and~~

~~(6) the projected costs for ongoing support and maintenance after the project is complete.~~

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

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

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 2022, section 16E.03, subdivision 3, is amended to read:

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

Sec. 18. Minnesota Statutes 2022, section 16E.03, subdivision 4, is amended to read:

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

Sec. 19. Minnesota Statutes 2022, section 16E.03, subdivision 5, is amended to read:

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

Sec. 20. Minnesota Statutes 2022, section 16E.03, subdivision 7, is amended to read:

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

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

Sec. 21. Minnesota Statutes 2022, section 16E.04, subdivision 2, is amended to read:

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

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

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



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

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

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

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

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

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

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

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

Sec. 22. Minnesota Statutes 2022, section 16E.04, subdivision 3, is amended to read:

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

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

Sec. 23. Minnesota Statutes 2022, section 16E.07, is amended to read:

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

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

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

~~(1) standardized public directory services and standardized content services;~~

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

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

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

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

- ~~(1) directories of government services and institutions, including an electronic version of the guidebook to state agency services published by the commissioner of administration;~~
- (2) legislative and rulemaking information, including an electronic version of the State Register, public information newsletters, bill text and summaries, bill status information, rule status information, meeting schedules, and the text of statutes and rules;
- (3) supreme court and court of appeals opinions and general judicial information;
- (4) opinions of the attorney general;
- (5) Campaign Finance and Public Disclosure Board and election information;
- (6) public budget information;
- (7) local government documents, such as codes, ordinances, minutes, meeting schedules, and other notices in the public interest;
- (8) official documents, releases, speeches, and other public information issued by government agencies; and
- (9) the text of other government documents and publications that government agencies determine are important to public understanding of government activities.

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

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

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

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

- ~~(1) grants received from nonstate entities;~~
- ~~(2) fees and charges collected by the office;~~
- ~~(3) gifts, donations, and bequests made to the office; and~~
- ~~(4) other money credited to the account by law.~~

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

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

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

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

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

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

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

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

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

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

Sec. 24. **[16E.36] CYBERSECURITY INCIDENTS.**

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

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

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

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

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

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

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

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

(5) malicious cyber command and control;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 25. Minnesota Statutes 2022, section 211B.33, subdivision 2, is amended to read:

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

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

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

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

Sec. 26. Minnesota Statutes 2022, section 211B.34, subdivision 1, is amended to read:

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

Sec. 27. Minnesota Statutes 2022, section 211B.34, subdivision 2, is amended to read:

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

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

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

Sec. 28. Minnesota Statutes 2022, section 211B.35, subdivision 1, is amended to read:

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

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

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

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

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

Sec. 29. Minnesota Statutes 2022, section 211B.35, subdivision 3, is amended to read:

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

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

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

Sec. 30. Minnesota Statutes 2023 Supplement, section 307.08, subdivision 3a, is amended to read:

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

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

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

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

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

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

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

Sec. 31. **REPEALER; DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES PROVISIONS.**

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



ARTICLE 18  
UNIFORM PUBLIC EXPRESSION PROTECTION ACT

Section 1. [554.07] SHORT TITLE.

Sections 554.07 to 554.19 may be cited as the "Uniform Public Expression Protection Act."

Sec. 2. [554.08] SCOPE.

(a) For the purposes of sections 554.07 to 554.19, the terms in this section have the meanings given them.

(1) "Goods or services" does not include the creation, dissemination, exhibition, or advertisement or similar promotion of a dramatic, literary, musical, political, journalistic, or artistic work.

(2) "Governmental unit" means a public corporation or government or governmental subdivision, agency, or instrumentality.

(3) "Person" means an individual, estate, trust, partnership, business or nonprofit entity, governmental unit, or other legal entity.

(b) Except as otherwise provided in paragraph (c), sections 554.07 to 554.19 apply to a cause of action asserted in a civil action against a person based on the person's:

(1) communication in a legislative, executive, judicial, administrative, or other governmental proceeding;

(2) communication on an issue under consideration or review in a legislative, executive, judicial, administrative, or other governmental proceeding; or

(3) exercise of the right of freedom of speech or of the press, the right to assemble or petition, or the right of association, guaranteed by the United States Constitution or the Minnesota Constitution on a matter of public concern.

(c) Sections 554.07 to 554.19 do not apply to a cause of action:

(1) against a governmental unit or an employee or agent of a governmental unit acting or purporting to act in an official capacity;

(2) by a governmental unit or an employee or agent of a governmental unit acting in an official capacity to enforce a law to protect against an imminent threat to public health or safety;

(3) against a person primarily engaged in the business of selling or leasing goods or services if the cause of action arises out of a communication related to the person's sale or lease of the goods or services;

(4) against a person named in a civil suit brought by a victim of a crime against a perpetrator;

(5) against a person named in a civil suit brought to establish or declare real property possessory rights, use of real property, recovery of real property, quiet title to real property, or related claims relating to real property;

(6) seeking recovery for bodily injury, wrongful death, or survival or to statements made regarding that legal action, unless the claims involve damage to reputation;

(7) brought under the insurance code or arising out of an insurance contract;

(8) based on a common law fraud claim;

(9) brought under chapters 517 to 519A; or counterclaims based on a criminal no-contact order pursuant to section 629.72 or 629.75; for or based on an antiharassment order or a sexual assault protection order under section 518B.01; or for or based on a vulnerable adult protection order for crimes against the vulnerable adult under sections 609.232, 609.2325, 609.233, 609.2335, and 609.234;

(10) brought under chapters 175, 177, 178, 179, and 179A; negligent supervision, retention, or infliction of emotional distress unless the claims involve damage to reputation; wrongful discharge in violation of public policy; whistleblowing; or enforcement of employee rights under civil service, collective bargaining, or handbooks and policies;

(11) brought under consumer protection, chapter 325F or 325G; or

(12) for any claim brought under federal law.

(d) Sections 554.07 to 554.19 apply to a cause of action asserted under paragraph (c), clause (3), (8), or (11), when the cause of action is:

(1) a legal action against a person arising from any act of that person, whether public or private, related to the gathering, receiving, posting, or processing of information for communication to the public, whether or not the information is actually communicated to the public, for the creation, dissemination, exhibition, or advertisement or other similar promotion of a dramatic, literary, musical, political, journalistic, or otherwise artistic work, including audiovisual work regardless of the means of distribution, a motion picture, a television or radio program, or an article published in a newspaper, website, magazine, or other platform, no matter the method or extent of distribution; or

(2) a legal action against a person related to the communication, gathering, receiving, posting, or processing of consumer opinions or commentary, evaluations of consumer complaints, or reviews or ratings of businesses.

### **Sec. 3. [554.09] SPECIAL MOTION FOR EXPEDITED RELIEF.**

Not later than 60 days after a party is served with a complaint, crossclaim, counterclaim, third-party claim, or other pleading that asserts a cause of action to which sections 554.07 to 554.19 apply, or at a later time on a showing of good cause, the party may file a special motion for expedited relief to dismiss the cause of action or part of the cause of action.

### **Sec. 4. [554.10] STAY.**

(a) Except as otherwise provided in paragraphs (d) to (g), on the filing of a motion under section 554.09:

(1) all other proceedings between the moving party and responding party, including discovery and a pending hearing or motion, are stayed; and

(2) on motion by the moving party, the court may stay a hearing or motion involving another party, or discovery by another party, if the hearing or ruling on the motion would adjudicate, or the discovery would relate to, an issue material to the motion under section 554.09.

(b) A stay under paragraph (a) remains in effect until entry of an order ruling on the motion under section 554.09 and expiration of the time under section 554.15 for the moving party to appeal the order.

(c) Except as otherwise provided in paragraphs (e), (f), and (g), if a party appeals from an order ruling on a motion under section 554.09, all proceedings between all parties in the action are stayed. The stay remains in effect until the conclusion of the appeal.

(d) During a stay under paragraph (a), the court may allow limited discovery if a party shows that specific information is necessary to establish whether a party has satisfied or failed to satisfy a burden under section 554.13, paragraph (a), and the information is not reasonably available unless discovery is allowed.

(e) A motion under section 554.16 for costs, attorney fees, and expenses is not subject to a stay under this section.

(f) A stay under this section does not affect a party's ability voluntarily to dismiss a cause of action or part of a cause of action or move to sever a cause of action.

(g) During a stay under this section, the court for good cause may hear and rule on:

(1) a motion unrelated to the motion under section 554.09; and

(2) a motion seeking a special or preliminary injunction to protect against an imminent threat to public health or safety.

**Sec. 5. [554.11] HEARING.**

(a) The court shall hear a motion under section 554.09 not later than 60 days after filing of the motion, unless the court orders a later hearing:

(1) to allow discovery under section 554.10, paragraph (d); or

(2) for other good cause.

(b) If the court orders a later hearing under paragraph (a), clause (1), the court shall hear the motion under section 554.09 not later than 60 days after the court order allowing the discovery, unless the court orders a later hearing under paragraph (a), clause (2).

**Sec. 6. [554.12] PROOF.**

In ruling on a motion under section 554.09, the court shall consider the pleadings, the motion, any reply or response to the motion, and any evidence that could be considered in ruling on a motion for summary judgment under Minnesota Rules of Civil Procedure 56.03.

**Sec. 7. [554.13] DISMISSAL OF CAUSE OF ACTION IN WHOLE OR PART.**

(a) In ruling on a motion under section 554.09, the court shall dismiss with prejudice a cause of action, or part of a cause of action, if:

(1) the moving party establishes under section 554.08, paragraph (b), that sections 554.07 to 554.19 apply;

(2) the responding party fails to establish under section 554.08, paragraph (c), that sections 554.07 to 554.19 do not apply; and

(3) either:

(i) the responding party fails to establish a prima facie case as to each essential element of the cause of action; or

(ii) the moving party establishes that:

(A) the responding party failed to state a cause of action upon which relief can be granted; or

(B) there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law on the cause of action or part of the cause of action.

(b) A voluntary dismissal without prejudice of a responding party's cause of action, or part of a cause of action, that is the subject of a motion under section 554.09 does not affect a moving party's right to obtain a ruling on the motion and seek costs, attorney fees, and expenses under section 554.16.

(c) A voluntary dismissal with prejudice of a responding party's cause of action, or part of a cause of action, that is the subject of a motion under section 554.09 establishes for the purpose of section 554.16 that the moving party prevailed on the motion.

Sec. 8. **[554.14] RULING.**

The court shall rule on a motion under section 554.09 not later than 60 days after a hearing under section 554.11.

Sec. 9. **[554.15] APPEAL.**

A moving party may appeal as a matter of right from an order denying, in whole or in part, a motion under section 554.09. The appeal must be filed not later than 30 days after entry of the order.

Sec. 10. **[554.16] COSTS, ATTORNEY FEES, AND EXPENSES.**

On a motion under section 554.09, the court shall award court costs, reasonable attorney fees, and reasonable litigation expenses related to the motion:

(1) to the moving party if the moving party prevails on the motion; or

(2) to the responding party if the responding party prevails on the motion and the court finds that the motion was frivolous or filed solely with intent to delay the proceeding.

Sec. 11. **[554.17] CONSTRUCTION.**

Sections 554.07 to 554.19 must be broadly construed and applied to protect the exercise of the right of freedom of speech and of the press, the right to assemble and petition, and the right of association, guaranteed by the United States Constitution or Minnesota Constitution.

Sec. 12. **[554.18] UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Sec. 13. **[554.19] SAVINGS CLAUSE.**

Sections 554.07 to 554.19 do not affect a cause of action asserted before the effective date of sections 554.07 to 554.19 in a civil action or a motion under Minnesota Statutes 2022, sections 554.01 to 554.06, regarding the cause of action.

Sec. 14. **[554.20] NO WAIVER OF OTHER PLEADINGS OR DEFENSES.**

A special motion for expedited relief under sections 554.07 to 554.19 is not meant to waive a defense or preclude the filing of another pleading or motion regarding the cause of action.

Sec. 15. **REVISOR INSTRUCTION.**

The revisor of statutes shall prepare legislation for the 2025 legislative session making any additional conforming changes arising out of this article.

Sec. 16. **REPEALER.**

Minnesota Statutes 2022, sections 554.01; 554.02; 554.03; 554.04; 554.045; 554.05; and 554.06, are repealed.

Sec. 17. **EFFECTIVE DATE.**

This article is effective the day following final enactment and applies to a civil action pending on or commenced on or after that date."

Delete the title and insert:

"A bill for an act relating to state government; providing policy for crime victims, law enforcement, criminal justice, corrections, public safety, crime, predatory offenders, restorative practices restitution program, Clemency Review Commission, protective orders, judicial data privacy, judiciary, public defense, civil law, contracts for deed, and state government data; providing for the Uniform Public Expression Protection Act; establishing the State Board of Civil Legal Aid; authorizing Anoka County to build jail and criminal justice center; providing for grants; providing for working groups and task forces; providing criminal penalties; providing for reports; 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; 13.84, subdivision 6; 14.05, subdivision 7; 14.08; 14.16, subdivision 3; 14.26, subdivision 3a; 14.386, as amended; 14.388, subdivision 2; 14.3895, subdivisions 2, 6; 14.48, subdivision 2; 14.62, subdivision 2a; 15A.083, subdivision 6a; 16E.01, subdivision 2; 16E.03, subdivisions 3, 4, 5, 7; 16E.04, subdivisions 2, 3; 16E.07; 117.042; 152.025, subdivision 4; 169A.03, by adding a subdivision; 169A.51, subdivision 3; 171.177, subdivisions 1, 3, 4, 5, 8, 12; 171.182, subdivisions 2, 3; 211B.33, subdivision 2; 211B.34, subdivisions 1, 2; 211B.35, subdivisions 1, 3; 241.021, subdivisions 1h, 4b; 241.75, subdivision 2; 243.05, subdivision 1b; 243.166, subdivisions 1a, 3, 6, by adding a subdivision; 243.167, subdivision 1; 243.52, subdivision 2; 244.052, subdivisions 3, 4, 4a; 253B.02, subdivision 4d; 253B.18, subdivision 5a, as amended; 253D.14, subdivision 1; 260B.007, subdivisions 6, 16; 260B.198, subdivision 7; 260C.007, subdivision 6; 260E.06, subdivision 1; 260E.08; 272.12; 299A.73, subdivision 4; 326.338, subdivision 4; 326.3388; 480.15, subdivision 10c; 480.24, subdivisions 2, 4; 480.242, subdivisions 2, 3; 480.243, subdivision 1; 491A.01, subdivision 3a; 507.235, subdivisions 1a, 5; 513.73, subdivision 3; 518B.01, subdivisions 2, 3a, 3b, 4, 5, 6a, 7, 8, 8a, 9, 9a, 11, by adding a subdivision; 524.5-315; 524.5-317; 548.251, subdivision 2; 559.21, subdivisions 2a, 4, by adding subdivisions; 559.211, subdivision 1; 559.213; 563.01; 590.01, subdivision 4; 590.03; 593.50, subdivision 1; 604A.05, subdivision 1; 609.02, by adding a subdivision; 609.06, subdivision 1, as amended, by adding a subdivision; 609.075; 609.1056, by adding a subdivision; 609.14, subdivisions 2, 3, by adding a subdivision; 609.324, subdivision 1; 609.748, subdivisions 3a, 5, 5b, by adding a subdivision; 609.78, subdivision 3, by adding a

subdivision; 611.215, subdivision 2; 611.24; 611.26, subdivisions 2, 3, 3a, 4; 611.263, subdivision 1; 611.265; 611.27, subdivisions 1, 8, 10, 11, 13, 16; 611A.06, subdivision 3a, by adding a subdivision; 611A.212, subdivision 1; 611A.73, subdivision 4; 626.05, subdivision 2; 626.5534; 626.84, subdivision 1; 626.8435, subdivision 1; 626.8457, subdivision 3; 629.72, subdivisions 1, 7; 629.725; 629.73, subdivision 1, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 16E.01, subdivision 3; 16E.03, subdivision 2; 146A.08, subdivision 1; 169A.51, subdivision 4; 214.10, subdivision 10; 241.021, subdivision 1; 243.166, subdivision 1b; 244.05, subdivision 5; 244.17, subdivision 3; 244.21, subdivision 2; 244.41, subdivisions 6, 14, by adding a subdivision; 244.46, subdivisions 1, 2; 244.50, subdivision 4; 299A.49, subdivisions 8, 9; 299A.95, subdivision 5; 299C.105, subdivision 1; 307.08, subdivision 3a; 326.3387, subdivision 1; 401.01, subdivision 2; 401.10, subdivision 1; 515B.2-103; 515B.3-102; 524.5-313; 609.1095, subdivision 1; 609.133, subdivision 4; 609.135, subdivision 2; 609.14, subdivision 1; 609.3455, subdivision 5; 609.35; 609.522, subdivisions 1, 2; 609A.015, subdivision 3, as amended; 609A.02, subdivision 3; 609A.06, subdivision 2; 611.215, subdivision 1; 611.23; 611.41, subdivision 7; 611.55, subdivision 1; 611.56, subdivisions 1, 6; 611.57, subdivisions 1, 4; 611A.039, subdivision 1; 611A.52, subdivision 5; 626.8516, subdivision 6; 629.292, subdivision 2; 638.09, subdivision 5; 638.12, subdivision 2; 638.15, subdivision 1; Laws 2023, chapter 52, article 1, section 2, subdivision 3; article 2, sections 3, subdivisions 5, 8, as amended; 6, subdivisions 1, 4; article 4, section 24, subdivisions 3, 7; article 8, section 20, subdivision 3; Laws 2023, chapter 63, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapters 3C; 13; 14; 16A; 16E; 169; 219; 241; 244; 260B; 299A; 480; 500; 554; 609; 626; 627; 634; proposing coding for new law as Minnesota Statutes, chapter 559A; repealing Minnesota Statutes 2022, sections 16E.035; 16E.0465, subdivisions 1, 2; 16E.055; 16E.20; 241.265; 480.242, subdivision 1; 554.01; 554.02; 554.03; 554.04; 554.045; 554.05; 554.06; 559.201; 559.202; 609B.050; 609B.100; 609B.101; 609B.102; 609B.103; 609B.104; 609B.106; 609B.107; 609B.108; 609B.109; 609B.110; 609B.111; 609B.112; 609B.113; 609B.120; 609B.121; 609B.122; 609B.123; 609B.124; 609B.125; 609B.126; 609B.127; 609B.128; 609B.129; 609B.130; 609B.132; 609B.133; 609B.134; 609B.135; 609B.136; 609B.139; 609B.140; 609B.141; 609B.142; 609B.143; 609B.144; 609B.146; 609B.147; 609B.148; 609B.149; 609B.1495; 609B.150; 609B.151; 609B.152; 609B.153; 609B.155; 609B.157; 609B.158; 609B.159; 609B.160; 609B.162; 609B.164; 609B.1641; 609B.1645; 609B.165; 609B.168; 609B.170; 609B.171; 609B.172; 609B.173; 609B.174; 609B.175; 609B.176; 609B.177; 609B.179; 609B.180; 609B.181; 609B.183; 609B.184; 609B.185; 609B.187; 609B.188; 609B.189; 609B.191; 609B.192; 609B.193; 609B.194; 609B.195; 609B.200; 609B.201; 609B.203; 609B.205; 609B.206; 609B.216; 609B.231; 609B.235; 609B.237; 609B.241; 609B.245; 609B.255; 609B.262; 609B.263; 609B.265; 609B.271; 609B.273; 609B.275; 609B.277; 609B.301; 609B.310; 609B.311; 609B.312; 609B.320; 609B.321; 609B.330; 609B.331; 609B.332; 609B.333; 609B.340; 609B.341; 609B.342; 609B.343; 609B.344; 609B.345; 609B.400; 609B.405; 609B.410; 609B.415; 609B.425, subdivision 1; 609B.430; 609B.435, subdivisions 1, 3; 609B.445; 609B.450; 609B.455; 609B.460; 609B.465; 609B.500; 609B.505; 609B.510; 609B.515; 609B.518; 609B.520; 609B.525; 609B.530; 609B.535; 609B.540; 609B.545; 609B.600; 609B.610; 609B.611; 609B.612; 609B.613; 609B.614; 609B.615; 609B.700; 609B.710; 609B.720; 609B.721; 609B.722; 609B.723; 609B.724; 609B.725; 611.20, subdivisions 3, 4, 7; 611.25, subdivision 3; 611.27, subdivisions 6, 9, 12; Minnesota Statutes 2023 Supplement, sections 609B.161; 609B.425, subdivision 2; 609B.435, subdivision 2."

We request the adoption of this report and repassage of the bill.

House Conferees: KELLY MOLLER, JAMIE BECKER-FINN, SANDRA FEIST and BRION CURRAN.

Senate Conferees: RON LATZ, CLARE OUMOU VERBETEN, JUDY SEEBERGER and BONNIE WESTLIN.

Moller moved that the report of the Conference Committee on H. F. No. 5216 be adopted and that the bill be repassed as amended by the Conference Committee.

Niska moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 5216 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Niska motion and the roll was called. There were 58 yeas and 70 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the Moller motion that the report of the Conference Committee on H. F. No. 5216 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 107 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Acomb	Demuth	Heintzeman	Koznick	Newton	Schomacker
Agbaje	Dotseth	Hemmingsen-Jaeger	Kraft	Noor	Schultz
Backer	Edelson	Her	Kresha	Norris	Sencer-Mura
Bahner	Elkins	Hicks	Lee, F.	Novotny	Smith
Bakeberg	Engen	Hill	Lee, K.	Olson, B.	Stephenson
Baker	Feist	Hollins	Liebling	Olson, L.	Swedzinski
Becker-Finn	Finke	Hornstein	Lillie	Pelowski	Tabke
Berg	Fischer	Howard	Lislegard	Pérez-Vega	Urdahl
Bierman	Frazier	Huot	Long	Perryman	Vang
Brand	Frederick	Hussein	McDonald	Petersburg	Virnig
Burkel	Freiberg	Igo	Moller	Pinto	West
Carroll	Garofalo	Jordan	Mueller	Pryor	Wiens
Cha	Gillman	Keeler	Myers	Pursell	Witte
Clardy	Gomez	Kiel	Nadeau	Quam	Wolgamott
Coulter	Greenman	Klevorn	Nash	Rarick	Xiong
Curran	Hansen, R.	Koegel	Nelson, M.	Rehm	Youakim
Davids	Hanson, J.	Kotzya-Witthuhn	Nelson, N.	Reyer	Spk. Hortman
Davis	Harder	Kozlowski	Neu Brindley	Robbins	

Those who voted in the negative were:

Altendorf	Fogelman	Joy	Murphy	Torkelson
Anderson, P. H.	Grossell	Knudsen	Niska	Wiener
Bennett	Jacob	Lawrence	Pfarr	Zelevnikar
Bliss	Johnson	Mekeland	Scott	

The bill was repassed, as amended by Conference, and its title agreed to.

## 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. 3492.

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. 3492

A bill for an act relating to housing; amending provisions relating to residential housing leases; amending landlord and tenant rights and obligations; providing for tenant associations; amending provisions relating to residential housing evictions; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, by adding subdivisions; 504B.113, subdivision 3; 504B.177; 504B.205, subdivisions 2, 3; 504B.206, subdivisions 1, 2, 3, 6; 504B.285, subdivision 1; 504B.385, subdivision 2; Minnesota Statutes 2023 Supplement, sections 484.014, subdivision 3; 504B.144; 504B.268, subdivision 1; 504B.345, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B; repealing Minnesota Statutes 2023 Supplement, section 504B.331.

May 13, 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. 3492 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. 3492 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** (a) ~~Except for clause (6),~~ The court shall, without motion by any party except for clauses (6) and (7), order expungement of an eviction case:

(1) commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(i) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(ii) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b, or 1c, to vacate on a date prior to commencement of the eviction case;

(2) if the defendant prevailed on the merits;

(3) if the ~~court dismissed the plaintiff's~~ complaint is dismissed for any reason;

(4) if the parties to the action have agreed to an expungement;

(5) three years after the eviction was ordered; ~~or~~

(6) upon motion of a defendant, if an eviction action has been filed in violation of section 504B.285, subdivision 1, paragraph (b); or

(7) upon motion of a defendant, if the case is settled and the defendant fulfills the terms of the settlement.

(b) If a tenant brings a motion for the expungement of an eviction, the court shall order the expungement of an eviction case that was commenced on the grounds of a violation of section 504B.171 or any other claim of breach regardless of when the original eviction was ordered, if the tenant could receive an automatic expungement under section 609A.055, or if the breach was based solely on the possession of marijuana or tetrahydrocannabinols.

**EFFECTIVE DATE.** This section is effective 30 days following the date of final enactment.

Sec. 2. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

**Subd. 13a. Tenant association.** "Tenant association" means a group of tenants from two or more rental units that are owned or operated by the same landlord who form or maintain an organization, whether incorporated or unincorporated, to improve housing conditions, amenities, community life, or the contractual position of the member tenants.

Sec. 3. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

**Subd. 13b. Tenant organizer.** "Tenant organizer" means a tenant or another who assists residential tenants in establishing and operating a tenant association and is not an employee or representative of the current or prospective landlord, property owner, manager, or agent of the landlord.

Sec. 4. Minnesota Statutes 2022, section 504B.001, subdivision 14, is amended to read:

**Subd. 14. Violation.** "Violation" means:

(1) a violation of any state, county or city health, safety, housing, building, fire prevention, or housing maintenance code applicable to the building;

(2) a violation of ~~any of the covenants set forth in section 504B.161, subdivision 1, clause (1) or (2), or in section 504B.171, subdivision 1~~ this chapter; or

(3) a violation of any federal, state, county, or city laws protecting tenants from discrimination;

(4) a violation of any applicable tenant rights and landlord obligations for public and subsidized tenancies under local, state, or federal law; or

~~(3)~~ (5) a violation of an oral or written agreement, lease, or contract for the rental of a dwelling in a building.

Sec. 5. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

**Subd. 16. Abandonment.** (a) "Abandonment of tenancy" means the intentional and voluntary absolute relinquishment of premises by the residential tenant.

(b) "Abandonment of personal property" means a residential tenant leaving some of the tenant's personal property on the premises after permanently vacating the property.

Sec. 6. Minnesota Statutes 2022, section 504B.113, subdivision 3, is amended to read:

**Subd. 3. Additional fees or deposits prohibited; disclosure required.** (a) A landlord must not require a tenant with a reasonable accommodation under this section to pay an additional fee, charge, or deposit for the service or support animal. A tenant is liable to the landlord for any damage to the premises caused by the service or support animal.

(b) If a landlord requires an additional fee, charge, or deposit pursuant to a pet policy, the landlord must disclose in the lease the prohibition on additional fees, charges, or deposits for service or support animals under this section.

(c) A tenant may bring an action to recover any fees, charges, or deposits paid to a landlord pursuant to a pet policy if:

(1) the landlord fails to provide the disclosure required in paragraph (b); and

(2) the tenant demonstrates that the tenant would have requested a reasonable accommodation and would likely have received a reasonable accommodation had the landlord provided the disclosure under paragraph (b).

**Sec. 7. [504B.117] INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER.**

A landlord must provide on a rental application the option for a prospective tenant to submit an individual taxpayer identification number or a Social Security number as follows:

"SSN or ITIN: ....."

A landlord must not deny a rental application solely because the prospective tenant provided an individual taxpayer identification number. Nothing in this section prevents a landlord from denying an application if the consumer credit report attached to an individual taxpayer identification number is insufficient.

Sec. 8. Minnesota Statutes 2023 Supplement, section 504B.144, is amended to read:

**504B.144 EARLY RENEWAL OF LEASE.**

A landlord ~~must wait until six months from the expiration of the current lease before requiring a tenant to renew the lease~~ may not require a tenant to renew a lease sooner than six months prior to the expiration of the current lease, if the lease is for a period of time longer than ten months. Nothing prevents a landlord from waiting until closer to the expiration of a lease to ask a tenant to renew the lease. Any provision, whether oral or written, of any lease or other agreement whereby any provision of this section is waived by a tenant is contrary to public policy and void.

**Sec. 9. [504B.153] NEW CONSTRUCTION DELAYS; TENANT REMEDIES.**

Subdivision 1. **Definition; new construction.** For purposes of this section, "new construction" means a new building, rehabilitation, modification, reconstruction, any physical changes altering the use or occupancy of the dwelling units, or an addition to a building.

Subd. 2. **Requirements if landlord cannot deliver occupancy.** (a) If a landlord is informed by a builder or otherwise knows that a new construction for rental occupancy will not be available for occupancy by the move-in date established in the lease agreement, the landlord must, within seven days and prior to the move-in date, notify every tenant affected and offer the following choices to the tenant to be accepted at the tenant's option:

(1) alternative housing provided by the landlord that is reasonably equivalent in size, amenities, and location to the unit described in the lease agreement, unless otherwise agreed upon by the tenant, until the unit may be lawfully inhabited;

(2) payment from the landlord to the tenant, equivalent to the cost of rent established in the lease agreement, to mitigate the costs of alternative housing secured by the tenant until the unit described in the lease agreement may be lawfully inhabited; or

(3) termination of the lease agreement and a return to the tenant of all amounts paid to the landlord, including any rent, deposit, and other payments incurred in entering the lease agreement.

(b) If a tenant exercises options under paragraph (a), clause (1) or (2), the landlord must provide the tenant with reimbursements related to security deposits, application fees, parking fees, pet fees, and any other fees reasonably associated with securing alternative housing.

(c) Tenants exercising options under paragraph (a), clause (1) or (2), may terminate their lease agreement under paragraph (a), clause (3), if the new construction for rental occupancy is not available for tenant occupancy within 90 days of the move-in date established in the lease agreement.

Subd. 3. **Waiver.** Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Subd. 4. **Remedies.** (a) A violation by the landlord of subdivision 2 is a violation of section 504B.375. A tenant aggrieved by a violation by the landlord of subdivision 2 may elect the following remedy:

(1) recovery under section 504B.231; or

(2) recover the greater of one month's rent, \$1,000, or actual damages, plus reasonable attorney fees and court costs.

(b) The remedies available under this section are in addition to any other remedies available at equity or law.

**Sec. 10. [504B.154] TENANT ABANDONMENT OF DWELLING.**

Subdivision 1. **Abandonment.** (a) If a residential tenant abandons a dwelling unit during the lease term, the landlord shall make reasonable efforts to rent it at a fair rental value. If the landlord rents the dwelling unit for a term beginning before the expiration of the rental agreement, the agreement is terminated on the date the new tenancy begins. The rental agreement is terminated by the landlord on the date the landlord has notice of the abandonment if the landlord fails to use reasonable efforts to rent the dwelling unit at a fair rental value or if the landlord accepts the abandonment as a surrender. The tenant shall not be liable for rent after the termination of the tenancy.

(b) If the rental agreement was for a periodic tenancy or tenancy at will, the maximum rent liability for the tenant is the notice period required to end the lease from the date the landlord has notice of the abandonment.

Subd. 2. **Waiver prohibited.** Any waiver of the rights provided by this section shall be void and unenforceable.

**Sec. 11. Minnesota Statutes 2023 Supplement, section 504B.161, subdivision 1, is amended to read:**

**Subdivision 1. **Requirements.**** (a) In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises and all common areas in reasonable repair during the term of the lease or license, including services and conditions listed in section 504B.381, subdivision 1, and extermination of insects, rodents, vermin, or other pests on the premises, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises and all common areas reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost;

(4) to maintain the premises and all common areas in compliance with the applicable health and safety laws of the United States, of the state, and of the local units of government, including ordinances regulating rental licensing, where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(5) to supply or furnish heat at a minimum temperature of 68 degrees Fahrenheit from October 1 through April 30, unless a utility company requires and instructs the heat to be reduced.

(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 12. Minnesota Statutes 2022, section 504B.173, is amended by adding a subdivision to read:

Subd. 3a. **Denial based on pending cases.** No landlord may deny a rental application based on any of the following:

(1) a pending eviction action;

(2) any court file that is not public, has been expunged, or has been destroyed; or

(3) any eviction action that has not resulted in a writ of recovery of premises and order to vacate, as that term is defined in section 504B.001, subdivision 15.

Sec. 13. Minnesota Statutes 2022, section 504B.177, is amended to read:

**504B.177 LATE FEES.**

(a) A landlord of a residential building may not charge a late fee if the rent is paid after the due date, unless the tenant and landlord have agreed in writing that a late fee may be imposed. The agreement must specify when the late fee will be imposed. In no case may the late fee exceed eight percent of the overdue rent payment. Any late fee charged or collected is not considered to be either interest or liquidated damages. For purposes of this paragraph, the "due date" does not include a date, earlier than the date contained in the written or oral lease by which, if the rent is paid, the tenant earns a discount.

(b) Notwithstanding paragraph (a), if a federal statute, regulation, or handbook permitting late fees for a tenancy subsidized under a federal program conflicts with paragraph (a), then the landlord may publish and implement a late payment fee schedule that complies with the federal statute, regulation, or handbook.

(c) A late fee charged by a landlord who has entered into a housing assistance payments contract with the federal, state, or local government must be calculated and assessed only on the portion of rent payable by the tenant. For the purposes of this paragraph, "housing assistance payments contract" means programs described in United States Code, title 42, sections 1437f and 1485, as well as other programs under which the landlord contracts to receive rent from the tenant and also to receive payment from the government.

Sec. 14. Minnesota Statutes 2022, section 504B.204, is amended to read:

**504B.204 ACTION FOR RENTAL OF CONDEMNED RESIDENTIAL PREMISES.**

(a) A landlord, agent, or person acting under the landlord's direction or control may not accept rent or a security deposit for residential rental property from a tenant after the leased premises have been (1) condemned or declared unfit for human habitation, (2) ordered to be vacated due to violations of a housing, health, or fire code or rental licensing ordinance by the applicable federal, state, or local authority, ~~if the tenancy commenced after the premises were condemned or declared unfit for human habitation,~~ or (3) ordered to be vacated pursuant to a government taking. If a landlord, agent, or a person acting under the landlord's direction or control violates this section, the landlord is liable to the tenant for actual damages and an amount equal to three times the amount of all money collected from the tenant after date of condemnation or declaration, plus costs and attorney fees. A violation of this section violates section 504B.161. This section shall be liberally construed for the protection of tenants.

(b) The remedies provided in this section are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Sec. 15. Minnesota Statutes 2022, section 504B.205, subdivision 2, is amended to read:

Subd. 2. **Emergency calls permitted.** (a) A landlord may not:

(1) bar or limit a residential tenant's right to call for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises; or

(2) impose a penalty on a residential tenant for calling for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises.

(b) A residential tenant may not waive and a landlord may not require the residential tenant to waive the residential tenant's right to call for police or emergency assistance.

Sec. 16. Minnesota Statutes 2022, section 504B.205, subdivision 3, is amended to read:

Subd. 3. **Local preemption.** This section preempts any inconsistent local ordinance or rule including, without limitation, any ordinance or rule that:

(1) requires an eviction after a specified number of calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises; or

(2) provides that calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises, may be used to penalize or charge a fee to a landlord.

This subdivision shall not otherwise preempt any local ordinance or rule that penalizes a landlord for, or requires a landlord to abate, conduct on the premises that constitutes a nuisance or other disorderly conduct as defined by local ordinance or rule.

Sec. 17. Minnesota Statutes 2022, section 504B.206, subdivision 1, is amended to read:

Subdivision 1. **Right to terminate; procedure.** (a) A tenant to a residential lease may terminate a lease agreement in the manner provided in this section without penalty or liability, if the tenant or another authorized occupant fears imminent violence after being subjected to:

- (1) domestic abuse, as that term is defined under section 518B.01, subdivision 2;
- (2) criminal sexual conduct under sections 609.342 to 609.3451;
- (3) sexual extortion under section 609.3458; or
- (4) harassment under section 609.749.

(b) The tenant must provide signed and dated advance written notice to the landlord:

(1) stating the tenant fears imminent violence from a person as indicated in a qualifying document against the tenant or an authorized occupant if the tenant or authorized occupant remains in the leased premises;

(2) stating that the tenant needs to terminate the tenancy;

(3) providing the date by on which the ~~tenant will vacate~~ lease will terminate; and

(4) providing written instructions for the disposition of any remaining personal property in accordance with section 504B.271.

(c) The written notice must be delivered before the termination of the tenancy by mail, ~~fax, or~~ in person, or by a form of written communication the plaintiff regularly uses to communicate with the landlord, and be accompanied by a qualifying document. The tenancy terminates for the tenant who exercises the right granted under this subdivision, including the right of possession of the premises, on the date provided in the notice required under paragraph (b). Vacation of the premises under this section by the tenant prior to the date provided in the notice does not constitute termination of the tenancy for the purposes of this section.

(d) The landlord may request that the tenant disclose the name of the perpetrator and, if a request is made, inform the tenant that the landlord seeks disclosure to protect other tenants in the building. The tenant may decline to provide the name of the perpetrator for safety reasons. Disclosure shall not be a precondition of terminating the lease.

~~(e) The tenancy terminates, including the right of possession of the premises, as provided in subdivision 3.~~

**EFFECTIVE DATE.** This section is effective 30 days following the date of final enactment.

Sec. 18. Minnesota Statutes 2022, section 504B.206, subdivision 2, is amended to read:

Subd. 2. **Treatment of information.** (a) A landlord must not disclose:

(1) any information provided to the landlord by a tenant in the written notice required under subdivision 1, paragraph (b);

(2) any information contained in the qualifying document;

(3) the address or location to which the tenant has relocated; or

(4) the status of the tenant as a victim of violence.

(b) The information referenced in paragraph (a) must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims under section 504B.178, with the consent of the tenant, or as otherwise required by law.

(c) A landlord who violates this section is liable to the tenant for statutory damages of \$2,000, plus reasonable attorney fees and costs.

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

Sec. 19. Minnesota Statutes 2022, section 504B.206, subdivision 3, is amended to read:

Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant who is a sole tenant and is terminating a lease under subdivision 1 is responsible for the rent payment for the full month in which the tenancy terminates. The tenant ~~forfeits~~ relinquishes all claims for the return of the security deposit under section 504B.178 and is relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. In a sole tenancy, the tenancy terminates on the date specified in the notice provided to the landlord as required under subdivision 1.

(b) In a tenancy with multiple tenants, one of whom is terminating the lease under subdivision 1, any lease governing all remaining tenants is terminated at the later of the end of the month or the end of the rent interval in which one tenant terminates the lease under subdivision 1. All tenants are responsible for the rent payment for the full month in which the tenancy terminates. Upon termination, all tenants ~~forfeit~~ relinquish all claims for the return of the security deposit under section 504B.178 and are relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. Any tenant whose tenancy was terminated under this paragraph may reapply to enter into a new lease with the landlord.

(c) This section does not affect a tenant's liability for delinquent, unpaid rent or other amounts owed to the landlord before the lease was terminated by the tenant under this section.

(d) Except as provided in section 504B.285, subdivision 1, paragraph (b), a landlord may not commence an eviction action against a tenant who has terminated a lease as provided in this section.

**EFFECTIVE DATE.** This section is effective 30 days following the date of final enactment.

Sec. 20. Minnesota Statutes 2022, section 504B.206, subdivision 6, is amended to read:

Subd. 6. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "court official" means a judge, referee, court administrator, prosecutor, probation officer, or victim's advocate, whether employed by or under contract with the court, who is authorized to act on behalf of the court;

(2) "qualified third party" means a person, acting in an official capacity, who has ~~had in-person contact with~~ provided professional services to the tenant and is:

(i) a licensed health care professional operating within the scope of the license;

(ii) a domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l); or

(iii) a sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k);



(3) "qualifying document" means:

(i) a valid order for protection issued under chapter 518B;

(ii) a no contact order currently in effect, issued under section 629.75 or chapter 609;

(iii) a writing produced and signed by a court official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known;

(iv) a writing produced and signed by a city, county, state, or tribal law enforcement official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known; or

(v) a statement by a qualified third party, in the following form:

#### STATEMENT BY QUALIFIED THIRD PARTY

I, ..... (name of qualified third party), do hereby verify as follows:

1. I am a licensed health care professional, domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k), who has ~~had in person contact with~~ provided professional services to ..... (name of victim(s)).

2. I have a reasonable basis to believe ..... (name of victim(s)) is a victim/are victims of domestic abuse, criminal sexual conduct, sexual extortion, or harassment and fear(s) imminent violence against the individual or authorized occupant if the individual remains (the individuals remain) in the leased premises.

3. I understand that the person(s) listed above may use this document as a basis for gaining a release from the lease.

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone)

(Date)

**EFFECTIVE DATE.** This section is effective 30 days following the date of final enactment.

Sec. 21. **[504B.212] TENANT RIGHT TO ORGANIZE; TENANT ASSOCIATIONS.**

**Subdivision 1. Tenant's right to organize.** (a) Residential tenants of a residential building have the right to establish and operate a tenant association for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community

development. Owners of residential rental units and their agents must allow residential tenants and tenant organizers to conduct activities related to the establishment or organization of a residential tenant organization, including but not limited to:

(1) distributing information or leaflets in the common areas of the residential building, including bulletin or community boards;

(2) distributing information or leaflets to individual units in a residential building;

(3) initiating contact with tenants through mail, telephone, or electronically;

(4) initiating contact with tenant units to offer information on tenant organizations or survey tenants on interest in tenant associations;

(5) assisting tenants in participating in tenant association activities; and

(6) convening tenant association meetings in a space at the residential building.

(b) Nothing in this section requires a landlord to provide a tenant association or tenant organizer with information about a tenant, including the tenant's mailing address, telephone number, or electronic contact information.

(c) A tenant association using the rights provided in this chapter must adopt bylaws or an operating agreement related to the internal governance of the tenant association.

(d) A tenant association must be completely independent of owners, management, and their representatives. To preserve the independence of the tenant association, management representatives from the owner of a residential tenant building may not attend meetings unless invited by the tenant association to specific meetings to discuss a specific issue.

(e) A tenant organizer who is not a residential tenant of the landlord must be accompanied in the residential building by a tenant who resides in the building.

(f) No landlord shall prohibit or adopt any rule prohibiting residential tenants or nonresident tenant organizers from peacefully organizing, assembling, canvassing, leafleting, or otherwise exercising within the building their right of free expression for tenant organizing purposes. A landlord may not require tenants and tenant organizers to obtain prior permission to engage in protected activities. A landlord may not adopt and enforce rules that set unreasonable limits as to time, place, and manner of the meetings or communication with tenants in the building.

Subd. 2. **Retaliation prohibited.** (a) A landlord may not increase rent, decrease services, alter an existing rental agreement, file a legal action against a tenant, contact federal or state law enforcement related to a tenant's immigration status, or seek to recover possession or threaten any such action in whole or in part in retaliation after a tenant:

(1) reports a code violation to a government agency, elected official, or other government official responsible for the enforcement of a building, housing, health, or safety code;

(2) reports a building, housing, health, or safety code violation, or a violation of this chapter, to a community organization or the news media;

(3) seeks the assistance of a community organization or others, including but not limited to a media or news organization, for assistance with a code violation or a violation of this chapter;

(4) makes a request that the landlord of a residential building make repairs to the premises as required by this chapter, or remedy a building or health code, other regulation, or uphold portions of the residential rental agreement;

(5) joins or attempts to join a tenant association or similar organization; or

(6) testifies in any court or administrative proceeding concerning the condition of the premises or exercised any right or remedy provided by law.

(b) In any proceeding in which retaliation is alleged, the burden of proof shall be on the landlord, if the landlord's alleged retaliatory action was within 90 days of the tenant engaging in any of the activities identified in this subdivision. If the challenged action began more than 90 days after the resident engaged in the protected activity, the tenant claiming the landlord is retaliating has the burden of proof.

Subd. 3. **Penalties.** If a landlord, an agent, or other person acting under the landlord's direction or control unlawfully and in bad faith violates this section, the tenant may recover from the landlord up to \$1,000 per occurrence and reasonable attorney fees.

Sec. 22. Minnesota Statutes 2022, section 504B.241, subdivision 4, is amended to read:

Subd. 4. **Court file information.** (a) If a residential tenant screening service includes information from a court file on an individual in a residential tenant report, the report must provide the full name and date of birth of the individual in any case where the court file includes the individual's full name and date of birth, and the outcome of the court proceeding must be accurately recorded in the residential tenant report including the specific basis of the court's decision, when available. If a tenant screening service knows that a court file has been expunged, the tenant screening service shall delete any reference to that file in any data maintained or disseminated by the screening service.

(b) Every residential tenant screening service has an affirmative duty to update and verify the current status of court files by accessing the Minnesota Court Records Online no more than 24 hours prior to issuing a residential tenant screening report.

(c) Whenever the court supplies information from a court file on an individual, in whatever form, the court shall include the full name and date of birth of the individual, if that is indicated on the court file or summary, and information on the outcome of the court proceeding, including the specific basis of the court's decision, coded as provided in subdivision 5 for the type of action, when it becomes available.

(d) The residential tenant screening service is not liable under section 504B.245 if the residential tenant screening service reports complete and accurate information as provided by the court, consistent with paragraph (b).

Sec. 23. Minnesota Statutes 2022, section 504B.245, is amended to read:

#### **504B.245 TENANT REPORT; REMEDIES.**

The remedies provided in section 8.31 apply to a violation of section 504B.241. In addition to the remedies otherwise provided by law, any person injured by a violation of section 504B.241 may bring a civil action against a residential tenant screening service or landlord in compliance with the provisions of the Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq., is considered to be in compliance with section 504B.241. and recover the greater of \$1,000 or actual damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. The attorney general has the authority to investigate and prosecute violations of section 504B.241.

Sec. 24. Minnesota Statutes 2023 Supplement, section 504B.266, subdivision 2, is amended to read:

Subd. 2. **Termination of lease upon infirmity of tenant.** (a) A tenant or the authorized representative of the tenant may terminate the lease prior to the expiration of the lease in the manner provided in subdivision 3 if the tenant has or, if there is more than one tenant, ~~all one of~~ the tenants ~~have~~ has, been found by a medical professional to need to move into a medical care facility and:

(1) require assistance with instrumental activities of daily living or personal activities of daily living due to medical reasons or a disability;

(2) meet one of the nursing facility level of care criteria under section 144.0724, subdivision 11; or

(3) have a disability or functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced because of a mental illness.

(b) When a tenant requires an accessible unit as defined in section 363A.40, subdivision 1, and the landlord can provide an accessible unit in the same complex where the tenant currently resides that is available within two months of the request, then the provisions of this section do not apply and the tenant may not terminate the lease.

Sec. 25. Minnesota Statutes 2023 Supplement, section 504B.268, subdivision 1, is amended to read:

Subdivision 1. **Right to counsel.** A defendant in ~~public~~ housing subsidized by the United States Department of Housing and Urban Development under Section 9 of the United States Housing Act of 1937 or the Consolidated and Further Continuing Appropriations Act of 2012, Public Law 112-55, 125 Stat. 673, subject to an eviction action under sections 504B.281 to 504B.371 alleging breach of lease under section 504B.171 or 504B.285 who is financially unable to obtain counsel has the right to counsel appointed by the court. The complaint required by section 504B.321 shall include the notice on the first page of the complaint in bold 12-point type: "If financially unable to obtain counsel, the defendant has the right to a court-appointed attorney." At the initial hearing, the court shall ask the defendant if the defendant wants court-appointed counsel and shall explain what such appointed counsel can accomplish for the defendant.

Sec. 26. Minnesota Statutes 2022, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment;

(ii) after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property; or

(iii) after the expiration of the time for redemption on a real estate tax judgment sale;

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

(b) A landlord may not commence an eviction action against a tenant or authorized occupant solely on the basis that the tenant or authorized occupant has been the victim of any of the acts listed in section 504B.206, subdivision 1, paragraph (a). A landlord may not commence an eviction action against a residential tenant who has terminated a lease as provided in section 504B.206. Nothing in this paragraph should be construed to prohibit an eviction action based on a breach of the lease or where a tenant has provided the written notice under section 504B.206, subdivision 1, but failed to vacate on or before the date provided in that notice. A landlord violating this paragraph is liable to the tenant for reasonable attorney fees and costs incurred by the tenant for obtaining an expungement as provided under section 484.014, subdivision 3.

**EFFECTIVE DATE.** This section is effective 30 days following the date of final enactment.

Sec. 27. **[504B.332] SUMMONS AND COMPLAINT; HOW SERVED.**

**Subdivision 1. Definition.** For purposes of this section, "plaintiff" includes the plaintiff's attorney, employees of the plaintiff's attorney, or any other agent of the plaintiff.

**Subd. 2. Generally.** (a) The summons and complaint must be served at least seven days before the date of the court appearance specified in section 504B.321, in the manner provided in subdivision 3 or 4.

(b) If the plaintiff regularly uses electronic written communication to communicate with the defendant, the plaintiff must make a good faith attempt to communicate to the defendant that an eviction hearing has been scheduled at least seven days before the date of the court appearance specified in section 504B.321. This requirement is in addition to completing service in the manner provided in subdivision 3 or 4. The communication must have a time and date stamp, and include the date, time, and place of the hearing specified in the summons. The communication must be delivered by means of electronic written communication that the plaintiff regularly uses to communicate with the defendant or to the last known electronic address the plaintiff has used to communicate with the defendant, unless the parties do not communicate via any form of electronic written communication. The plaintiff must substantially comply with this paragraph.

**Subd. 3. Personal or substitute service.** (a) If the defendant can be found in the county, the summons and complaint must be served in the manner provided for service of a civil action in district court.

(b) If the defendant cannot be found in the county, the summons and complaint may be served at least seven days before the date of the court appearance by:

(1) leaving a copy of the summons and complaint at the defendant's last usual place of abode with a person of suitable age and discretion residing there; or

(2) if the defendant had no place of abode, by leaving a copy of the summons and complaint at the property described in the complaint with a person of suitable age and discretion occupying the premises.

(c) At least three days before the date of the court appearance specified in section 504B.321, the plaintiff must file with the court an affidavit of personal or substitute service.

**Subd. 4. Service by mail and posting.** (a) If attempts at personal or substitute service are unsuccessful, service of the summons and complaint may be made by mail and posting.

(b) If service by mail and posting is used, the following steps must occur no later than seven days before the date of the court appearance specified in section 504B.321:

(1) the plaintiff must mail a copy of the summons and complaint to the defendant at the defendant's last known address;

(2) for residential evictions only, there must be at least two attempts at personal service. The personal service attempts must occur on different days at the last known address of the defendant and be done in the manner provided for service of a summons and complaint in a civil action in district court. At least one of the attempts must be made between the hours of 6:00 p.m. and 10:00 p.m. Failure to serve the defendant, after the plaintiff complies with this paragraph, is prima facie proof that attempts at personal or substitute service were unsuccessful and that the defendant cannot be found in the county;

(3) the summons and complaint must be posted on the entry to the defendant's individual unit. If the defendant occupies a multiunit building, the summons and complaint must be posted on the door of the defendant's individual unit; and

(4) at least three days before the date of the court appearance specified in section 504B.321, the plaintiff must file with the court affidavits stating:

(i) the defendant cannot be found in the county, or that the plaintiff believes that the defendant is not in the state;

(ii) a copy of the summons and complaint has been mailed to the defendant at the defendant's last known address at least seven days before the date of the court appearance specified in section 504B.321;

(iii) compliance with subdivision 2, paragraph (b), by providing the date and manner by which the plaintiff attempted to communicate to the defendant in compliance with subdivision 2, paragraph (b), or stating that the plaintiff does not use electronic written communication to regularly communicate with the defendant and does not have an electronic address for the defendant;

(iv) if applicable, how the requirements of clause (2) were met, including the dates and times of the attempts at service; and

(v) the date and time the summons and complaint were posted on the entry to the defendant's individual unit.

Subd. 5. **Failure to appear.** If the defendant or the defendant's attorney does not appear in court on the date of the appearance, the trial shall proceed.

Sec. 28. Minnesota Statutes 2023 Supplement, section 504B.345, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) If the court or jury finds for the plaintiff, the court shall immediately enter judgment that the plaintiff shall have recovery of the premises, and shall tax the costs against the defendant. The court shall issue execution in favor of the plaintiff for the costs and also immediately issue a writ of recovery of premises and order to vacate.

(b) The court shall give priority in issuing a writ of recovery of premises and order to vacate for an eviction action brought under section 504B.171 or on the basis that the tenant is causing a nuisance or seriously endangers the safety of other residents, their property, or the landlord's property.

(c) If the court or jury finds for the defendant, then the court:

(1) shall enter judgment for the defendant, tax the costs against the plaintiff, and issue execution in favor of the defendant; and

(2) shall expunge the records relating to the action under the provisions of section 484.014 or under the court's inherent authority at the time judgment is entered or after that time upon motion of the defendant.

(d) Except in actions brought: (1) ~~under section 504B.291~~; (2) under section 504B.171; or ~~(3)~~ (2) on the basis that the residential tenant engages in behavior that seriously endangers the safety of other residents, or intentionally and seriously damages the property of the landlord or a tenant, the court shall stay the writ of recovery of premises and order to vacate for a reasonable period, not to exceed seven days. This paragraph does not apply when the court has issued a default judgment.

Sec. 29. Minnesota Statutes 2022, section 504B.385, subdivision 2, is amended to read:

Subd. 2. **Counterclaim for possession.** (a) The landlord may file a counterclaim for possession of the property in cases where the landlord alleges that the residential tenant did not deposit the full amount of rent with the court administrator.

(b) The court must set the date for a hearing on the counterclaim not less than seven nor more than 14 days from the day of filing the counterclaim. If the rent escrow hearing and the hearing on the counterclaim for possession cannot be heard on the same day, the matters must be consolidated and heard on the date scheduled for the hearing on the counterclaim.

(c) The contents of the counterclaim for possession must meet the requirements for a complaint under section 504B.321.

(d) The landlord must serve the counterclaim as provided in section ~~504B.331~~ 504B.332, except that the affidavit of service or mailing may be brought to the hearing rather than filed with the court before the hearing.

(e) The court must provide a simplified form for use under this section.

Sec. 30. **[504B.501] ATTORNEY GENERAL ENFORCEMENT.**

The attorney general has authority under section 8.31 to investigate and prosecute violations of this chapter.

Sec. 31. **REPEALER.**

Minnesota Statutes 2023 Supplement, section 504B.331, is repealed.

Sec. 32. **EFFECTIVE DATE.**

Except as otherwise specified, this act is effective January 1, 2025."

Delete the title and insert:

"A bill for an act relating to housing; amending provisions relating to residential housing leases; providing for landlord and tenant rights and obligations; providing for tenant screening; providing for tenant associations; providing for certain enforcement; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, subdivision 14, by adding subdivisions; 504B.113, subdivision 3; 504B.173, by adding a subdivision; 504B.177; 504B.204; 504B.205, subdivisions 2, 3; 504B.206, subdivisions 1, 2, 3, 6; 504B.241, subdivision 4; 504B.245; 504B.285, subdivision 1; 504B.385, subdivision 2; Minnesota Statutes 2023 Supplement, sections 484.014, subdivision 3; 504B.144; 504B.161, subdivision 1; 504B.266, subdivision 2; 504B.268, subdivision 1; 504B.345, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B; repealing Minnesota Statutes 2023 Supplement, section 504B.331."

We request the adoption of this report and repassage of the bill.

Senate Conferees: ZAYNAB MOHAMED and CLARE OUMOU VERBETEN.

House Conferees: ESTHER AGBAJE and MICHAEL HOWARD.

Agbaje moved that the report of the Conference Committee on S. F. No. 3492 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3492, A bill for an act relating to housing; amending provisions relating to residential housing leases; amending landlord and tenant rights and obligations; providing for tenant associations; amending provisions relating to residential housing evictions; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, by adding subdivisions; 504B.113, subdivision 3; 504B.177; 504B.205, subdivisions 2, 3; 504B.206, subdivisions 1, 2, 3, 6; 504B.285, subdivision 1; 504B.385, subdivision 2; Minnesota Statutes 2023 Supplement, sections 484.014, subdivision 3; 504B.144; 504B.268, subdivision 1; 504B.345, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B; repealing Minnesota Statutes 2023 Supplement, section 504B.331.

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

Those who voted in the negative were:

Altendorf	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	West
Bliss	Gillman	Knudsen	Nash	Rarick	Wiener
Burkel	Grossell	Koznick	Nelson, N.	Robbins	Wiens
Davids	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zeleznikar

The bill was repassed, as amended by Conference, and its title agreed to.



The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 5242

A bill for an act relating to state government; appropriating money for a supplemental budget for the Department of Transportation, Department of Public Safety, and the Metropolitan Council; modifying prior appropriations; modifying various provisions related to transportation and public safety, including but not limited to an intensive driver testing program, greenhouse gas emissions, electric-assisted bicycles, high voltage transmission, railroad safety, and transit; establishing civil penalties; establishing an advisory committee; labor and industry; making supplemental appropriation changes to labor provisions; modifying combative sports regulations, construction codes and licensing, Bureau of Mediation provisions, public employee labor relations provisions, miscellaneous labor provisions, broadband and pipeline safety, employee misclassification, and minors appearing in internet content; housing; modifying prior appropriations; establishing new programs and modifying existing programs; expanding eligible uses of housing infrastructure bonds; authorizing the issuance of housing infrastructure bonds; establishing a working group and a task force; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 15.082; 116J.395, subdivision 6; 161.14, by adding subdivisions; 161.45, by adding subdivisions; 161.46, subdivision 1; 168.09, subdivision 7; 168.092; 168.301, subdivision 3; 168A.10, subdivision 2; 168A.11, subdivision 1; 169.011, by adding subdivisions; 169.21, subdivision 6; 169.222, subdivisions 6a, 6b; 169A.55, subdivision 4; 171.306, subdivisions 1, 8; 174.02, by adding a subdivision; 174.75, subdivisions 1, 2, by adding a subdivision; 177.27, subdivision 3; 179A.12, subdivision 5; 181.171, subdivision 1; 181.722; 181.723; 181.960, subdivision 3; 181A.03, by adding subdivisions; 216B.17, by adding a subdivision; 216E.02, subdivision 1; 221.0255, subdivisions 4, 9, by adding subdivisions; 270B.14, subdivision 17, by adding a subdivision; 299J.01; 299J.02, by adding a subdivision; 299J.04, subdivision 2; 299J.11; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; 326B.802, subdivision 13; 326B.89, subdivisions 1, 5; 341.28, by adding a subdivision; 341.29; 462A.02, subdivision 10; 462A.03, by adding subdivisions; 462A.05, subdivisions 3b, 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding subdivisions; 462A.202, subdivision 3a; 462A.21, subdivisions 7, 8b; 462A.222, by adding a subdivision; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 462C.02, subdivision 6; 469.012, subdivision 2j; 473.13, by adding a subdivision; 473.3927; 626.892, subdivision 10; Minnesota Statutes 2023 Supplement, sections 116J.871, subdivision 1, as amended; 161.178; 161.46, subdivision 2; 168.1259; 169.011, subdivision 27; 169A.44, subdivision 1; 171.0705, subdivision 2; 171.13, subdivision 1; 174.38, subdivisions 3, 6; 174.634, subdivision 2, by adding a subdivision; 177.27, subdivisions 1, 2, 4, 7; 177.42, subdivision 2; 179A.041, subdivision 10; 179A.06, subdivision 6; 179A.07, subdivisions 8, 9; 179A.10, subdivision 2; 179A.12, subdivisions 2a, 6, 11; 219.015, subdivision 2; 326B.106, subdivision 1; 326B.802, subdivision 15; 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a subdivision; 341.355; 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.39, subdivision 2; 473.4051, by adding a subdivision; 477A.35, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2; Laws 2023, chapter 37, article 1, section 2, subdivisions 1, 2, 17, 29, 32; article 2, section 12, subdivision 2; Laws 2023, chapter 52, article 19, section 120; Laws 2023, chapter 53, article 19, sections 2, subdivisions 1, 3, 5; 4; proposing coding for new law in Minnesota Statutes, chapters 116J; 161; 168; 169; 171; 174; 181; 181A; 219; 325F; 462A; 469; 504B; repealing Minnesota Statutes 2022, sections 116J.398; 168.1297; 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; 5520.0800; 7410.6180.

May 17, 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. 5242 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. 5242 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
TRANSPORTATION APPROPRIATIONS

Section 1. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2023, chapter 68, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. 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. "Each year" is each of fiscal years 2024 and 2025.

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

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation**                      **\$-0-**                      **\$58,416,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>-0-</u>	<u>3,443,000</u>
Special Revenue	<u>-0-</u>	<u>3,750,000</u>
Trunk Highway	<u>-0-</u>	<u>51,223,000</u>

The appropriations in this section are to the commissioner of transportation.

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

Subd. 2. **Multimodal Systems**

(a) **Transit**                      **-0-**                      **3,750,000**

Notwithstanding the requirements under Minnesota Statutes, section 174.38, subdivision 3, paragraph (a), this appropriation is from the active transportation account in the special revenue fund for a grant to the city of Ramsey for design, environmental analysis, site preparation, and construction of the Mississippi Skyway Trail Bridge over marked U.S. Highways 10 and 169 in Ramsey to provide for a grade-separated crossing for pedestrians

and nonmotorized vehicles. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2028.

**(b) Passenger Rail**

-0-

1,000,000

This appropriation is from the general fund for a grant to the Ramsey County Regional Railroad Authority for a portion of the costs of insurance coverage related to rail-related incidents occurring at Union Depot in the city of St. Paul. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation.

**Subd. 3. State Roads**

**(a) Operations and Maintenance**

-0-

2,405,000

\$300,000 in fiscal year 2025 is for rumble strips under Minnesota Statutes, section 161.1258.

\$1,000,000 in fiscal year 2025 is for landscaping improvements located within trunk highway rights-of-way under the Department of Transportation's community roadside landscape partnership program, with prioritization of tree planting as feasible.

\$1,000,000 is from the general fund for the traffic safety camera pilot program under Minnesota Statutes, section 169.147, and the evaluation and legislative report under article 3, sections 116 and 117. With the approval of the commissioner of transportation, any portion of this appropriation is available to the commissioner of public safety. This is a onetime appropriation and is available until June 30, 2029.

\$105,000 in fiscal year 2025 is for the cost of staff time to coordinate with the Public Utilities Commission relating to placement of high voltage transmission lines along trunk highways.

**(b) Program Planning and Delivery**

-0-

5,800,000

\$3,000,000 in fiscal year 2025 is for implementation and development of statewide and regional travel demand modeling related to the requirements under Minnesota Statutes, section 161.178. This is a onetime appropriation and is available until June 30, 2026.

\$800,000 in fiscal year 2025 is for one or more grants to metropolitan planning organizations outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

for modeling activities related to the requirements under Minnesota Statutes, section 161.178. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation.

\$2,000,000 in fiscal year 2025 is to complete environmental documentation and for preliminary engineering and design for the reconstruction of marked Trunk Highway 55 from Hennepin County State-Aid Highway 19, north of the city of Loretto to Hennepin County Road 118 near the city of Medina. This is a onetime appropriation and is available until June 30, 2027.

**(c) State Road Construction**

-0-

10,900,000

\$8,900,000 in fiscal year 2025 is for the acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highway bridges, including design-build contracts, program delivery, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. Projects under this appropriation must follow eligible investment priorities identified in the Minnesota state highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c. The commissioner may use up to 17 percent of this appropriation for program delivery. This is a onetime appropriation and is available until June 30, 2028.

\$1,000,000 in fiscal year 2025 is for predesign and design of intersection safety improvements along marked Trunk Highway 65 from the interchange with marked U.S. Highway 10 to 99th Avenue Northeast in the city of Blaine. This is a onetime appropriation.

\$1,000,000 in fiscal year 2025 is to design and construct trunk highway improvements associated with an interchange at U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians and for bridge and road construction. This is a onetime appropriation and is available until June 30, 2027.

**(d) Highway Debt Service**

-0-

468,000

This appropriation is for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate

Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

**Subd. 4. Local Roads**

1,200,000

\$1,000,000 in fiscal year 2025 is from the general fund for a grant to a political subdivision that (1) has a directly elected governing board, (2) is contained within a city of the first class, and (3) maintains sole jurisdiction over a roadway system within the city. This appropriation is for the design, engineering, construction, and reconstruction of roads on the roadway system. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2027.

\$200,000 in fiscal year 2025 is from the general fund for a grant to the city of Shorewood to develop a transportation management organization along the marked Trunk Highway 7 corridor from the western border of Hennepin County to Interstate Highway 494. Money under this rider is available for developing a comprehensive study and financial plan for a transportation management organization in the cities and school districts along this corridor and connecting roadways. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation.

**Subd. 5. Agency Management**

**(a) Agency Services**

-0-

243,000

This appropriation is from the general fund for costs related to complete streets implementation training under Minnesota Statutes, section 174.75, subdivision 2a.

**(b) Buildings**

-0-

32,650,000

\$20,100,000 in fiscal year 2025 is for the transportation facilities capital improvement program under Minnesota Statutes, section 174.595. This is a onetime appropriation and is available until June 30, 2028.

\$7,750,000 in fiscal year 2025 is for land acquisition, predesign, design, and construction of expanded truck parking at Big Spunk in Avon and Enfield Rest Areas and for the rehabilitation or replacement of truck parking information management system equipment at Department of Transportation-owned parking rest area locations. This is a onetime appropriation and is available until June 30, 2028.

\$4,800,000 in fiscal year 2025 is for predesign, design, engineering, environmental analysis and remediation, acquisition of land or permanent easements, and construction of one or more truck parking safety projects for the trunk highway system. Each truck parking safety project must expand truck parking availability in proximity to a trunk highway and be located in the Department of Transportation metropolitan district. In developing each project, the commissioner must seek partnerships with local units of government, established truck stop businesses, or a combination. Partnership activities may include but are not limited to parking site identification and review, financial assistance, donation of land, and project development activities. This is a onetime appropriation and is available until June 30, 2027.

Sec. 3. **METROPOLITAN COUNCIL**

**\$-0-**

**10,000,000**

The appropriation in this section is from the general fund to the Metropolitan Council.

This appropriation is for a grant to Hennepin County to administer the Blue Line light rail transit extension antidisplacement community prosperity program under article 3, sections 118 and 119. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the council must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2027.

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**

**\$-0-**

**\$4,641,000**

The appropriations in this section are to the commissioner of public safety.

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

Subd. 2. **Driver and Vehicle Services**

**-0-**

**3,241,000**

The appropriations in this subdivision are from the driver and vehicle services operating account in the special revenue fund.

\$2,969,000 in fiscal year 2025 is for staff and related operating costs to support testing at driver's license examination stations.

\$100,000 in fiscal year 2025 is for costs related to the special license plate review committee study and report under article 3, section 131. This is a onetime appropriation and is available until June 30, 2026.

\$172,000 in fiscal year 2025 is for costs related to translating written materials and providing them to driver's license agents and deputy registrars as required under article 3, section 123. This is a onetime appropriation.

Subd. 3. **Traffic Safety**

-0-

1,400,000

Notwithstanding Minnesota Statutes, section 299A.705, regarding the use of funds from this account, \$1,200,000 in fiscal year 2025 is from the driver and vehicle services operating account in the special revenue fund for the Lights On grant program under Minnesota Statutes, section 169.515. The commissioner must contract with the Lights On! microgrant program to administer and operate the grant program. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to two percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2026.

\$200,000 in fiscal year 2025 is from the motorcycle safety account in the special revenue fund for the public education campaign on motorcycle operation under article 3, section 122. This is a onetime appropriation.

Sec. 5. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

\$15,560,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for trunk highway and local road projects, which may include but are not limited to feasibility and corridor studies, project development, predesign, preliminary and final design, engineering, environmental analysis and mitigation, right-of-way acquisition, construction, and associated infrastructure improvements. This appropriation is available for grants to local units of government. The commissioner may establish that a grant under this section does not require a nonstate contribution. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2029.

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

Sec. 6. **APPROPRIATIONS; DEPARTMENT OF ADMINISTRATION.**

Subdivision 1. **Minnesota Advisory Council on Infrastructure.** \$41,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of administration for purposes of the Minnesota Advisory Council on Infrastructure as provided under article 3, section 121, and Minnesota Statutes, sections 16B.357 to 16B.359. The base for this appropriation is \$475,000 in fiscal year 2026 and \$471,000 in fiscal year 2027.

Subd. 2. **Public-facing professional services.** \$43,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of administration for space costs incurred in fiscal years 2025, 2026, and 2027 by tenants that provide public-facing professional services on the Capitol complex. The commissioner of administration must designate one publicly accessible space on the complex for which this appropriation may be used. This is a onetime appropriation and is available until June 30, 2027.

**Subd. 3. Department of Transportation building.** (a) The following are appropriated to the commissioner of administration for design, construction, and equipment required to upgrade the physical security elements and systems for the Department of Transportation building, attached tunnel systems, surrounding grounds, and parking facilities as identified in the 2017 Minnesota State Capitol complex physical security predesign and the updated assessment completed in 2022:

(1) \$1,350,000 in fiscal year 2025 from the trunk highway fund; and

(2) \$450,000 in fiscal year 2025 from the general fund.

(b) This is a onetime appropriation and is available until June 30, 2028.

**Subd. 4. State Patrol headquarters.** \$22,500,000 in fiscal year 2025 is appropriated from the trunk highway fund to the commissioner of administration for design and land acquisition for a new headquarters building and support facilities for the State Patrol. This appropriation may also be used, as part of the first phase of the overall site development, to design the abatement of hazardous materials and demolition of any buildings located on the site and to demolish any buildings located on the site and abate hazardous materials. This is a onetime appropriation and is available until June 30, 2028.

**Sec. 7. APPROPRIATION; DEPARTMENT OF COMMERCE.**

\$46,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of commerce for an environmental review conducted by the Department of Commerce Energy Environmental Review and Analysis unit, relating to the placement of high voltage transmission lines along trunk highway rights-of-way.

**Sec. 8. APPROPRIATION CANCELLATIONS; DEPARTMENT OF TRANSPORTATION.**

(a) \$11,000,000 of the appropriation in fiscal year 2024 from the general fund for Infrastructure Investment and Jobs Act (IIJA) discretionary matches under Laws 2023, chapter 68, article 1, section 2, subdivision 5, paragraph (a), is canceled to the general fund.

(b) \$15,560,000 of the appropriation in fiscal year 2022 for trunk highway corridor studies and local road grants under Laws 2021, First Special Session chapter 5, article 1, section 6, is canceled to the general fund.

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

**Sec. 9. TRANSFER.**

\$11,350,000 in fiscal year 2025 is transferred from the general fund to the small cities assistance account under Minnesota Statutes, section 162.145, subdivision 2. This is a onetime transfer. The amount transferred under this section must be allocated and distributed in the July 2024 payment.

**Sec. 10.** Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is amended to read:

**Subd. 2. Multimodal Systems**

**(a) Aeronautics**



<b>(1) Airport Development and Assistance</b>	24,198,000	18,598,000
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Appropriations by Fund

	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This appropriation is for Phase 1 of the project.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2024 and 2025.

<b>(2) Aviation Support Services</b>	8,332,000	8,340,000
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Appropriations by Fund

	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

\$28,000 in fiscal year 2022 and \$36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

**(3) Civil Air Patrol**

80,000

80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

**(b) Transit and Active Transportation**

23,501,000

18,201,000

This appropriation is from the general fund.

\$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

\$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

**(c) Safe Routes to School**

5,500,000

500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

**(d) Passenger Rail**

10,500,000

500,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, 2025.

**(e) Freight**

8,342,000

7,323,000

## Appropriations by Fund

	2022	2023
General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

\$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, 2023.

\$350,000 in fiscal year 2022 and \$287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes, section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

Sec. 11. Laws 2023, chapter 68, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. <b>Transit System Operations</b>	<del>85,654,000</del>	32,654,000
	<u>75,654,000</u>	

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

~~\$50,000,000~~ \$40,000,000 in fiscal year 2024 is for a grant to Hennepin County for the Blue Line light rail transit extension project, including but not limited to predesign, design, engineering, environmental analysis and mitigation, right-of-way acquisition, construction, and acquisition of rolling stock. Of this amount, ~~\$40,000,000~~ \$30,000,000 is available only upon entering a full funding grant agreement with the Federal Transit Administration by June 30, 2027. This is a onetime appropriation and is available until June 30, 2030.

\$3,000,000 in fiscal year 2024 is for highway bus rapid transit project development in the marked U.S. Highway 169 and marked Trunk Highway 55 corridors, including but not limited to feasibility study, predesign, design, engineering, environmental analysis and remediation, and right-of-way acquisition.

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

Sec. 12. Laws 2023, chapter 68, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. **State Patrol**

(a) <b>Patrolling Highways</b>	154,044,000	141,731,000
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Appropriations by Fund

	2024	2025
General	387,000	37,000
H.U.T.D.	92,000	92,000
Trunk Highway	153,565,000	141,602,000

\$350,000 in fiscal year 2024 is from the general fund for predesign of a State Patrol headquarters building and related storage and training facilities. The commissioner of public safety must work with the commissioner of administration to complete the predesign. This is a onetime appropriation and is available until June 30, 2027.

\$14,500,000 in fiscal year 2024 is from the trunk highway fund to purchase and equip a helicopter for the State Patrol. This is a onetime appropriation and is available until June 30, 2025.

\$2,300,000 in fiscal year 2024 is from the trunk highway fund to purchase a Cirrus single engine airplane for the State Patrol. This is a onetime appropriation and is available until June 30, 2025.

\$1,700,000 in each year is from the trunk highway fund for staff and equipment costs of pilots for the State Patrol.

\$611,000 in fiscal year 2024 and \$352,000 in fiscal year 2025 are from the trunk highway fund to support the State Patrol's accreditation process under the Commission on Accreditation for Law Enforcement Agencies.

<b>(b) Commercial Vehicle Enforcement</b>	15,446,000	18,423,000
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\$2,948,000 in fiscal year 2024 and \$5,248,000 in fiscal year 2025 are to provide the required match for federal grants for additional troopers and nonsworn commercial vehicle inspectors.

<b>(c) Capitol Security</b>	18,666,000	19,231,000
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This appropriation is from the general fund.

The commissioner must not:

- (1) spend any money from the trunk highway fund for capitol security; or
- (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

- (1) to capitol security; or
- (2) from capitol security.

The commissioner may expend the unencumbered balance from this appropriation for operating costs under this subdivision.

(d) <b>Vehicle Crimes Unit</b>	1,244,000	1,286,000
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This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

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

Sec. 13. Laws 2023, chapter 68, article 1, section 20, is amended to read:

Sec. 20. **TRANSFERS.**

(a) \$152,650,000 in fiscal year 2024 is transferred from the general fund to the trunk highway fund for the state match for highway formula and discretionary grants under the federal Infrastructure Investment and Jobs Act, Public Law 117-58, and for related state investments.

(b) \$19,500,000 in fiscal year 2024 and ~~\$19,500,000~~ \$19,215,000 in fiscal year 2025 are transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38. The base for this transfer is ~~\$8,875,000~~ \$8,155,000 in fiscal year 2026 and ~~\$9,000,000~~ \$8,284,000 in fiscal year 2027.

(c) By June 30, 2023, the commissioner of management and budget must transfer any remaining unappropriated balance, estimated to be \$232,000, from the driver services operating account in the special revenue fund to the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

(d) By June 30, 2023, the commissioner of management and budget must transfer any remaining unappropriated balance, estimated to be \$13,454,000, from the vehicle services operating account in the special revenue fund to the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

## ARTICLE 2 TRUNK HIGHWAY BONDS

### Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation or other named entity to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

### **SUMMARY**

Department of Transportation	<u>\$30,000,000</u>
Department of Management and Budget	<u>\$30,000</u>
<b><u>TOTAL</u></b>	<b><u>\$30,030,000</u></b>

**APPROPRIATIONS****Sec. 2. DEPARTMENT OF TRANSPORTATION****Subdivision 1. Corridors of Commerce****\$15,000,000**

(a) This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount for program delivery.

(b) From this appropriation, the commissioner may (1) select projects using the results of the most recent evaluation for the corridors of commerce program, and (2) provide additional funds for projects previously selected under the corridors of commerce program.

**Subd. 2. State Road Construction****15,000,000**

This appropriation is to the commissioner of transportation for construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, and consultant usage to support these activities. The commissioner may use up to 17 percent of the amount for program delivery.

**Sec. 3. BOND SALE EXPENSES****\$30,000**

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

**Sec. 4. BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$30,030,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

**ARTICLE 3  
TRANSPORTATION POLICY**

Section 1. Minnesota Statutes 2022, section 13.6905, is amended by adding a subdivision to read:

**Subd. 38. Traffic safety camera data.** Data related to traffic safety cameras are governed by section 169.147, subdivisions 14 to 16.

Sec. 2. Minnesota Statutes 2022, section 13.824, subdivision 1, is amended to read:

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

(b) "Automated license plate reader" means an electronic device mounted on a law enforcement vehicle or positioned in a stationary location that is capable of recording data on, or taking a photograph of, a vehicle or its license plate and comparing the collected data and photographs to existing law enforcement databases for investigative purposes. Automated license plate reader includes a device that is owned or operated by a person who is not a government entity to the extent that data collected by the reader are shared with a law enforcement agency. Automated license plate reader does not include a traffic safety camera system.

(c) "Traffic safety camera system" has the meaning given in section 169.011, subdivision 85a.

Sec. 3. Minnesota Statutes 2022, section 13.824, is amended by adding a subdivision to read:

Subd. 2a. **Limitations; certain camera systems.** A person must not use a traffic safety camera system for purposes of this section.

Sec. 4. **[16B.356] DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of sections 16B.356 to 16B.359, the terms defined in this section have the meanings given.

Subd. 2. **Council.** "Council" means the Minnesota Advisory Council on Infrastructure established in section 16B.357.

Subd. 3. **Infrastructure.** "Infrastructure" means physical structures and facilities, including but not limited to property, lands, buildings, and other assets of a capital nature. The term includes infrastructure related to agriculture, commerce, communications, economic development, energy, food, health, housing, natural resources, public safety, transportation, drinking water, stormwater, and wastewater.

Sec. 5. **[16B.357] MINNESOTA ADVISORY COUNCIL ON INFRASTRUCTURE.**

Subdivision 1. **Establishment; purpose.** (a) The Minnesota Advisory Council on Infrastructure is established as provided under sections 16B.356 to 16B.359.

(b) The purpose of the council is to define and maintain a vision for the future of Minnesota's infrastructure that provides for its proper management, coordination, and investment.

Subd. 2. **Voting membership.** The council consists of the following voting members:

(1) two members appointed by the governor;

(2) two members appointed by the senate majority leader;

(3) two members appointed by the senate minority leader;

(4) two members appointed by the speaker of the house;

(5) two members appointed by the house minority leader; and

(6) one member appointed by the Indian Affairs Council.

Subd. 3. **Nonvoting membership.** The council consists of the following nonvoting members:

- (1) the commissioner of administration;
- (2) the commissioner of agriculture;
- (3) the commissioner of commerce;
- (4) the commissioner of employment and economic development;
- (5) the commissioner of health;
- (6) the commissioner of management and budget;
- (7) the commissioner of natural resources;
- (8) the commissioner of the Pollution Control Agency;
- (9) the commissioner of transportation;
- (10) the commissioner of Iron Range resources and rehabilitation;
- (11) the chair of the Metropolitan Council;
- (12) the chair of the Board of Water and Soil Resources;
- (13) the executive director of the Minnesota Public Facilities Authority;
- (14) the chancellor of Minnesota State Colleges and Universities; and
- (15) the president of the University of Minnesota.

Subd. 4. **Voting members; appointment requirements.** (a) An appointing authority under subdivision 2 may only appoint an individual who has direct and practical expertise and experience, whether from the public or private sector, in any of the following:

(1) asset management in one or more of the areas of planning, design, construction, management, or operations and maintenance, for: (i) drinking water; (ii) wastewater; (iii) stormwater; (iv) transportation; (v) energy; or (vi) communications;

(2) financial management and procurement; or

(3) regional asset management across jurisdictions and infrastructure sectors.

(b) Each appointing authority under subdivision 2, clauses (1) to (5), must appoint one individual who resides in a metropolitan county, as defined in section 473.121, subdivision 4, and one individual who resides outside of a metropolitan county.

(c) No current legislator may be appointed to the council.



(d) Prior to making appointments, the appointing authorities under subdivision 2 must coordinate and provide for:

(1) geographic representation throughout the state;

(2) representation for all major types of infrastructure assets; and

(3) representation from the public and private sectors.

Subd. 5. **Voting members; recommendations for appointment.** Each appointing authority under subdivision 2 must acknowledge and give consideration to appointment recommendations made by interested stakeholders, including but not limited to:

(1) the Association of Minnesota Counties;

(2) the League of Minnesota Cities;

(3) the Coalition of Greater Minnesota Cities;

(4) the Minnesota Association of Townships;

(5) the Minnesota Chapter of the American Public Works Association;

(6) the Associated General Contractors of Minnesota;

(7) a labor union representing the building trades;

(8) a public utility;

(9) the Minnesota Municipal Utilities Association;

(10) the Minnesota Chamber of Commerce;

(11) the Minnesota section of the American Water Works Association;

(12) the Minnesota Rural Water Association; and

(13) the Minnesota Rural Electric Association.

Subd. 6. **Nonvoting members; delegation.** (a) Notwithstanding section 15.06, subdivision 6, an individual specified under subdivision 3 may appoint a designee to serve on the council only as provided in this subdivision.

(b) An individual specified under subdivision 3 may appoint a designee who serves on an ongoing basis to exercise the powers and duties as a nonvoting council member under this section. The designation must be made by written order, filed with the secretary of state. The designee must be a public employee who is:

(1) a deputy commissioner or deputy director;

(2) an assistant commissioner;

(3) an immediate subordinate of the appointing authority;

(4) a director of a relevant office; or

(5) if the appointing authority is the chair of a board or council specified under subdivision 3, another member of that board or council.

Subd. 7. **Officers.** (a) The council must elect from among its voting members a chair, or cochairs, and vice-chair. As necessary, the council may elect other council members to serve as officers.

(b) The chair is responsible for convening meetings of the council and setting each meeting agenda.

Subd. 8. **Council actions.** (a) A majority of the council, including voting and nonvoting members and excluding vacancies, is a quorum.

(b) The council may conduct business as provided under section 13D.015.

Subd. 9. **Compensation; terms; removal; vacancies.** The compensation, membership terms, filling of vacancies, and removal of members on the council are as provided in section 15.0575.

Subd. 10. **Open Meeting Law.** The council is subject to the Minnesota Open Meeting Law under chapter 13D.

Subd. 11. **Data practices.** The council is subject to the Minnesota Data Practices Act under chapter 13.

**Sec. 6. [16B.358] POWERS; RESPONSIBILITIES AND DUTIES.**

Subdivision 1. **General powers.** The council has the nonregulatory powers necessary to carry out its responsibilities and duties specified by law.

Subd. 2. **General responsibilities.** (a) The council is responsible for activities in a nonregulatory capacity and in coordination with stakeholders to identify and recommend best practices that:

(1) preserve and extend the longevity of Minnesota's public and privately owned infrastructure; and

(2) provide for effective and efficient management of infrastructure.

(b) Unless specifically provided otherwise, nothing in sections 16B.356 to 16B.359 requires transfer of personnel, specific responsibilities, or administrative functions from a department or agency to the council.

Subd. 3. **Duties.** The duties of the council are to:

(1) identify approaches to enhance and expedite infrastructure coordination across jurisdictions, agencies, state and local government, and public and private sectors, including in planning, design, engineering, construction, maintenance, and operations;

(2) analyze methods to improve efficiency and the use of resources related to (i) public infrastructure, and (ii) public asset management practices;

(3) identify opportunities to reduce duplication in infrastructure projects and asset management;

(4) identify barriers and gaps in effective asset management;

(5) identify objectives and strategies that enhance the longevity and adaptability of infrastructure throughout the state;

(6) develop advisory recommendations, if any, related to the responsibilities and duties specified under this section, including to state agencies for programs, policies, and practices; and

(7) implement the requirements under sections 16B.356 to 16B.359.

Subd. 4. **Asset managers program.** The council must develop and recommend a plan for a statewide asset managers program that provides for:

(1) identification, exchange, and distribution of (i) information on existing asset management tools and resources, and (ii) best practices on infrastructure management;

(2) training for infrastructure owners and asset managers; and

(3) coordination and collaboration among infrastructure owners and asset managers.

Subd. 5. **Administrative support.** The commissioner must provide the council with suitable space to maintain an office, hold meetings, and keep records. The commissioner must provide administrative staff and information technology resources to the council as necessary for the expeditious conduct of the council's duties and responsibilities.

Subd. 6. **Report.** By December 15 annually, the council must submit a report to the governor and the legislative committees with jurisdiction over capital investment, climate, economic development, energy, and transportation. At a minimum, the report must:

(1) summarize the activities of the council;

(2) provide an overview for each of the duties and requirements under sections 16B.356 to 16B.359;

(3) identify any barriers and constraints related to activities of the council; and

(4) provide any recommendations of the council.

**Sec. 7. [16B.359] PERSONNEL.**

Subdivision 1. **Executive director.** (a) The commissioner must hire an executive director in the classified service, with the advice of the council. The executive director is the principal administrative officer for the council. The executive director is not an ex officio member of the council.

(b) The executive director must have (1) leadership or management experience, and (2) training and experience in public works or asset management.

(c) The executive director must perform the duties as specified by the council to manage and implement the requirements of sections 16B.356 to 16B.359.

Subd. 2. **Staffing.** (a) The executive director must:

(1) hire any employees on the basis of merit and fitness that the executive director considers necessary to discharge the functions of the office; and

(2) prescribe the powers and duties of an employee.

(b) The executive director may:

(1) hire a deputy director and other staff; and

(2) delegate the powers, duties, and responsibilities of the executive director to employees, under conditions prescribed by the executive director.

Sec. 8. Minnesota Statutes 2023 Supplement, section 123B.935, subdivision 1, is amended to read:

Subdivision 1. **Training required.** (a) Each district must provide public school pupils enrolled in kindergarten through grade 3 with age-appropriate active transportation safety training. At a minimum, the training must include pedestrian safety, including crossing roads.

(b) Each district must provide public school pupils enrolled in grades 4 through 8 with age-appropriate active transportation safety training. At a minimum, the training must include:

(1) pedestrian safety, including crossing roads safely using the searching left, right, left for vehicles in traffic technique; ~~and~~

(2) bicycle safety, including relevant traffic laws, use and proper fit of protective headgear, bicycle parts and safety features, and safe biking techniques; and

(3) electric-assisted bicycle safety, including that a person under the age of 15 is not allowed to operate an electric-assisted bicycle.

(c) A nonpublic school may provide nonpublic school pupils enrolled in kindergarten through grade 8 with training as specified in paragraphs (a) and (b).

Sec. 9. Minnesota Statutes 2022, section 134A.09, subdivision 2a, is amended to read:

Subd. 2a. **Petty misdemeanor cases and criminal convictions; fee assessment.** (a) In Hennepin County and Ramsey County, the district court administrator or a designee may, upon the recommendation of the board of trustees and by standing order of the judges of the district court, include in the costs or disbursements assessed against a defendant convicted in the district court of the violation of a statute or municipal ordinance, a county law library fee. This fee may be collected in all petty misdemeanor cases and criminal prosecutions in which, upon conviction, the defendant may be subject to the payment of the costs or disbursements in addition to a fine or other penalty. When a defendant is convicted of more than one offense in a case, the county law library fee shall be imposed only once in that case.

(b) Beginning August 1, 2025, the law library fee does not apply to a citation issued pursuant to sections 169.06, subdivision 10, and 169.14, subdivision 13.

Sec. 10. Minnesota Statutes 2022, section 134A.10, subdivision 3, is amended to read:

Subd. 3. **Petty misdemeanor cases and criminal convictions; fee assessment.** (a) The judge of district court may, upon the recommendation of the board of trustees and by standing order, include in the costs or disbursements assessed against a defendant convicted in the district court of the violation of any statute or municipal ordinance, in all petty misdemeanor cases and criminal prosecutions in which, upon conviction, the defendant may be subject to the payment of the costs or disbursements in addition to a fine or other penalty a county law library fee. When a

defendant is convicted of more than one offense in a case, the county law library fee shall be imposed only once in that case. The item of costs or disbursements may not be assessed for any offense committed prior to the establishment of the county law library.

(b) Beginning August 1, 2025, the law library fee does not apply to citations issued pursuant to sections 169.06, subdivision 10, and 169.14, subdivision 13.

Sec. 11. Minnesota Statutes 2022, section 161.089, is amended to read:

**161.089 REPORT ON DEDICATED FUND EXPENDITURES.**

By January 15 of each odd-numbered year, the commissioners of transportation and public safety, in consultation with the commissioner of management and budget, must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance. The report must:

(1) list detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for the previous two fiscal years and must include information on the purpose of each expenditure. ~~The report must;~~

(2) list summary expenditures and transfers from each fund other than the trunk highway fund or highway user tax distribution fund for each departmental division, office, or program for which funds are listed under clause (1);

(3) include for each expenditure from the trunk highway fund an estimate of the percentage of activities performed or purchases made with that expenditure that are not for trunk highway purposes; and

(4) include a separate section that lists detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for cybersecurity.

Sec. 12. **161.1258] RUMBLE STRIPS.**

(a) The commissioner must maintain transverse rumble strips in association with each stop sign that is located (1) on a trunk highway segment with a speed limit of at least 55 miles per hour, and (2) outside the limits of a statutory or home rule charter city.

(b) Prior to installation of rumble strips at a new location, the commissioner must provide a notification to residences adjacent to the location.

(c) The commissioner must meet the requirements under paragraph (a) at each applicable location by the earlier of August 1, 2034, or the date of substantial completion of any construction, resurfacing, or reconditioning at the location.

(d) The requirements under paragraph (a) do not apply to a location in which there is at least one residence within 750 feet.

**EFFECTIVE DATE.** This section is effective August 1, 2024, for road construction, resurfacing, or reconditioning projects on or after that date.

Sec. 13. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 107. **Gopher Gunners Memorial Bridge.** (a) The bridge on marked Trunk Highway 55 and marked Trunk Highway 62 over the Minnesota River, commonly known as the Mendota Bridge, is designated as "Gopher Gunners Memorial Bridge." Notwithstanding section 161.139, the commissioner must adopt a suitable design to mark the bridge and erect appropriate signs.

(b) The adjutant general of the Department of Military Affairs must reimburse the commissioner of transportation for costs incurred under this subdivision.

Sec. 14. Minnesota Statutes 2023 Supplement, section 161.178, is amended to read:

**161.178 TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT ASSESSMENT.**

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

(b) "Applicable entity" means the commissioner with respect to a ~~capacity expansion~~ project or portfolio for inclusion in the state transportation improvement program or a metropolitan planning organization with respect to a ~~capacity expansion~~ project or portfolio for inclusion in the appropriate metropolitan transportation improvement program.

(c) "Assessment" means the ~~capacity expansion~~ impact assessment under this section.

(d) "Capacity expansion project" means a project for trunk highway construction or reconstruction that:

(1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph (b); and

(2) adds highway traffic capacity or provides for grade separation of motor vehicle traffic at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

(e) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

Subd. 2. **Project or portfolio assessment.** (a) Prior to inclusion of a ~~capacity expansion~~ project or portfolio in the state transportation improvement program or in a metropolitan transportation improvement program, the applicable entity must perform a ~~capacity expansion~~ an impact assessment of the project or portfolio. Following the assessment, the applicable entity must determine if the project ~~conforms~~ or portfolio is proportionally in conformance with:

(1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3; and

(2) the vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a.

(b) If the applicable entity determines that the ~~capacity expansion~~ project or portfolio is not in conformance with paragraph (a), the applicable entity must:

(1) alter the scope or design of the project or any number of projects, add or remove one or more projects from the portfolio, or undertake a combination, and subsequently perform a revised assessment that meets the requirements under this section;

(2) interlink sufficient impact mitigation as provided in subdivision 4; or

(3) halt project development and disallow inclusion of the project or portfolio in the appropriate transportation improvement program.

Subd. 2a. **Applicable projects.** (a) For purposes of this section:

(1) prior to the date established under paragraph (b), a project or portfolio is a capacity expansion project; and

(2) on and after the date established under paragraph (b), a project or portfolio is a capacity expansion project or a collection of trunk highway and multimodal projects for a fiscal year and specific region.

(b) The commissioner must establish a date to implement impact assessments on the basis of assessing a portfolio or program of projects instead of on a project-by-project basis. The date must be:

(1) August 1, 2027, which applies to projects that first enter the appropriate transportation improvement program for fiscal year 2031 or a subsequent year; or

(2) as established by the commissioner, if the commissioner:

(i) consults with metropolitan planning organizations;

(ii) prioritizes and makes reasonable efforts to meet the date under clause (1) or an earlier date;

(iii) determines that the date established under this clause is the earliest practicable in which the necessary models and tools are sufficient for analysis under this section; and

(iv) submits a notice to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance, which must identify the date established and summarize the efforts under item (ii) and the determination under item (iii).

Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to ~~perform capacity expansion impact assessments. An assessment must provide for the determination under subdivision 2.~~ implement the requirements under this section, which includes:

(1) any necessary policies, procedures, manuals, and technical specifications;

(2) procedures to perform an impact assessment that provide for the determination under subdivision 2;

(3) in consultation with the technical advisory committee under section 161.1782, criteria for identification of a capacity expansion project; and

(4) related data reporting from local units of government on local multimodal transportation systems and local project impacts on greenhouse gas emissions and vehicle miles traveled.

(b) Analysis under an assessment must include but is not limited to estimates resulting from ~~the~~ a project or portfolio for the following:

(1) greenhouse gas emissions over a period of 20 years; and

(2) a net change in vehicle miles traveled for the affected network; and

(3) impacts to trunk highways and related impacts to local road systems, on a local, regional, or statewide basis, as appropriate.

Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the applicable entity must interlink the ~~capacity expansion~~ project or portfolio as provided in this subdivision.

(b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the ~~capacity expansion~~ project or portfolio is interlinked to ~~mitigation offset~~ actions such that the total greenhouse gas emissions reduction from the ~~mitigation offset~~ actions, after accounting for the greenhouse gas emissions otherwise resulting from the ~~capacity expansion~~ project or portfolio, is consistent with meeting the targets specified under subdivision 2, paragraph (a). Each comparison under this paragraph must be performed over equal comparison periods.

(c) ~~A mitigation~~ An offset action consists of a project, program, ~~or~~ operations modification, or mitigation plan in one or more of the following areas:

(1) transit expansion, including but not limited to regular route bus, arterial bus rapid transit, highway bus rapid transit, rail transit, and intercity passenger rail;

(2) transit service improvements, including but not limited to increased service level, transit fare reduction, and transit priority treatments;

(3) active transportation infrastructure;

(4) micromobility infrastructure and service, including but not limited to shared vehicle services;

(5) transportation demand management, including but not limited to vanpool and shared vehicle programs, remote work, and broadband access expansion;

(6) parking management, including but not limited to parking requirements reduction or elimination and parking cost adjustments;

(7) land use, including but not limited to residential and other density increases, mixed-use development, and transit-oriented development;

(8) infrastructure improvements related to traffic operations, including but not limited to roundabouts and reduced conflict intersections; ~~and~~

(9) natural systems, including but not limited to prairie restoration, reforestation, and urban green space; and

(10) as specified by the commissioner in the manner provided under paragraph (e).

(d) ~~A mitigation~~ An offset action may be identified as interlinked to the ~~capacity expansion~~ project or portfolio if:

(1) there is a specified project, program, ~~or~~ modification, or mitigation plan;

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in subdivision 5; and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (b).



(e) The commissioner may authorize additional offset actions under paragraph (c) if:

(1) the offset action is reviewed and recommended by the technical advisory committee under section 161.1782; and

(2) the commissioner determines that the offset action is directly related to reduction in the transportation sector of greenhouse gas emissions or vehicle miles traveled.

Subd. 5. **Impact mitigation; localization.** (a) ~~A mitigation~~ An offset action under subdivision 4 must be localized in the following priority order:

(1) if the offset action is for one project, within or associated with at least one of the communities impacted by the ~~capacity expansion~~ project;

(2) if clause (1) does not apply or there is not a reasonably feasible location under clause (1), in areas of persistent poverty or historically disadvantaged communities, as measured and defined in federal law, guidance, and notices of funding opportunity;

(3) if there is not a reasonably feasible location under clauses (1) and (2), in the region of the ~~capacity expansion~~ project or portfolio; or

(4) if there is not a reasonably feasible location under clauses (1) to (3), on a statewide basis.

(b) The applicable entity must include an explanation regarding the feasibility and rationale for each mitigation action located under paragraph (a), clauses (2) to (4).

Subd. 6. **Public information.** The commissioner must publish information regarding ~~capacity expansion~~ impact assessments on the department's website. The information must include:

(1) for each project evaluated separately under this section, identification of ~~capacity expansion projects~~ the project; ~~and~~

(2) for each project evaluated separately, a summary that includes an overview of the ~~expansion impact~~ assessment, the impact determination by the commissioner, and project disposition, including a review of any ~~mitigation offset~~ actions;

(3) for each portfolio of projects, an overview of the projects, the impact determination by the commissioner, and a summary of any offset actions;

(4) a review of any interpretation of or additions to offset actions under subdivision 4;

(5) identification of the date established by the commissioner under subdivision 2a, paragraph (b); and

(6) a summary of the activities of the technical advisory committee under section 161.1782, including but not limited to any findings or recommendations made by the advisory committee.

Subd. 7. **Safety and well-being.** The requirements of this section are in addition to and must not supplant the safety and well-being goals established under section 174.01, subdivision 2, clauses (1) and (2).

Subd. 8. **Transportation impact assessment and mitigation account.** (a) A transportation impact assessment and mitigation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner and must only be expended on activities described or required under this section. In determining expenditures from the account, the commissioner must include prioritization for offset actions interlinked to trunk highway projects that reduce traffic fatalities or severe injuries.

**EFFECTIVE DATE.** This section is effective February 1, 2025, except that subdivision 8 is effective July 1, 2024. This section does not apply to a capacity expansion project that was either included in the state transportation improvement program or has been submitted for approval of the geometric layout before February 1, 2025.

Sec. 15. **[161.1782] TRANSPORTATION IMPACT ASSESSMENT; TECHNICAL ADVISORY COMMITTEE.**

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

(b) "Advisory committee" means the technical advisory committee established in this section.

(c) "Project or portfolio" is as provided in section 161.178.

Subd. 2. **Establishment.** The commissioner must establish a technical advisory committee to assist in implementation review related to the requirements under section 161.178.

Subd. 3. **Membership; appointments.** The advisory committee is composed of the following members:

(1) one member from the Department of Transportation, appointed by the commissioner of transportation;

(2) one member from the Pollution Control Agency, appointed by the commissioner of the Pollution Control Agency;

(3) one member from the Metropolitan Council, appointed by the chair of the Metropolitan Council;

(4) one member from the Center for Transportation Studies, appointed by the president of the University of Minnesota;

(5) one member representing metropolitan planning organizations outside the metropolitan area, as defined in section 473.121, subdivision 2, appointed by the Association of Metropolitan Planning Organizations; and

(6) up to four members who are not employees of the state, with no more than two who are employees of a political subdivision, appointed by the commissioner of transportation.

Subd. 4. **Membership; requirements.** (a) To be eligible for appointment to the advisory committee, an individual must have experience or expertise sufficient to provide assistance in implementation or technical review related to the requirements under section 161.178. Each appointing authority must consider appointment of individuals with expertise in travel demand modeling, emissions modeling, traffic forecasting, land use planning, or transportation-related greenhouse gas emissions assessment and analysis. In appointing the members under subdivision 3, clause (6), the commissioner must also consider technical expertise in other relevant areas, which may include but is not limited to public health or natural systems management.

(b) Members of the advisory committee serve at the pleasure of the appointing authority. Vacancies must be filled by the appointing authority.

Subd. 5. **Duties.** The advisory committee must assist the commissioner in implementation of the requirements under section 161.178, including to:

(1) perform technical review and validation of processes and methodologies used for impact assessment and impact mitigation;

(2) review and make recommendations on:

(i) impact assessment requirements;

(ii) models and tools for impact assessment;

(iii) methods to determine sufficiency of impact mitigation;

(iv) procedures for interlinking a project or portfolio to impact mitigation; and

(v) reporting and data collection;

(3) advise on the approach used to determine the area of influence for a project or portfolio for a geographic or transportation network area;

(4) develop recommendations on any clarifications, modifications, or additions to the offset actions authorized under section 161.178, subdivision 4; and

(5) perform other analyses or activities as requested by the commissioner.

Subd. 6. **Administration.** (a) The commissioner must provide administrative support to the advisory committee. Upon request, the commissioner must provide information and technical support to the advisory committee.

(b) Members of the advisory committee are not eligible for compensation under this section.

(c) The advisory committee is subject to the Minnesota Data Practices Act under chapter 13 and to the Minnesota Open Meeting Law under chapter 13D.

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

Sec. 16. Minnesota Statutes 2022, section 161.3203, subdivision 4, is amended to read:

Subd. 4. **Reports Report.** (a) By September 1 of each year, the commissioner shall provide, no later than September 1, an annual written must submit a report to the legislature, in compliance with sections 3.195 and 3.197, and shall submit the report to the chairs and ranking minority members of the senate and house of representatives legislative committees having with jurisdiction over transportation policy and finance.

(b) The report must list all privatization transportation contracts within the meaning of this section that were executed or performed, whether wholly or in part, in the previous fiscal year. The report must identify, with respect to each contract:

(1) the contractor;

(2) contract amount;

(3) duration;

(4) work, provided or to be provided;

(5) the comprehensive estimate derived under subdivision 3, paragraph (a);

(6) the comprehensive estimate derived under subdivision 3, paragraph (b);

(7) the actual cost to the agency of the contractor's performance of the contract; and

(8) for contracts of at least \$250,000, a statement containing the commissioner's determinations under subdivision 3, paragraph (c).

(c) The report must collect aggregate data on each of the commissioner's district offices and the bridge office on barriers and challenges to the reduction of transportation contract privatization. The aggregate data must identify areas of concern related to transportation contract privatization and include information on:

(1) recruitment and retention of staff;

(2) expertise gaps;

(3) access to appropriate equipment; and

(4) the effects of geography, demographics, and socioeconomic data on transportation contract privatization rates.

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

Sec. 17. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

**Subd. 4. High voltage transmission; placement in right-of-way.** (a) For purposes of this subdivision and subdivisions 5 to 7, "high voltage transmission line" has the meaning given in section 216E.01, subdivision 4.

(b) Notwithstanding subdivision 1, paragraph (a), high voltage transmission lines under the laws of this state or the ordinance of any city or county may be constructed, placed, or maintained across or along any trunk highway, including an interstate highway and a trunk highway that is an expressway or a freeway, except as deemed necessary by the commissioner of transportation to protect public safety or ensure the proper function of the trunk highway system.

(c) If the commissioner denies a high voltage electric line colocation request, the reasons for the denial must be submitted for review within 90 days of the commissioner's denial to the chairs and ranking minority members of the legislative committees with jurisdiction over energy and transportation, the Public Utilities Commission executive secretary, and the commissioner of commerce.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to colocation requests for high voltage transmission lines on or after that date.

Sec. 18. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

**Subd. 5. High voltage transmission; coordination required.** Upon written request, the commissioner must engage in coordination activities with a utility or transmission line developer to review requested highway corridors for potential permitted locations for transmission lines. The commissioner must assign a project coordinator within

30 days of receiving the written request. The commissioner must share all known plans with affected utilities or transmission line developers on potential future projects in the highway corridor if the potential highway project impacts the placement or siting of high voltage transmission lines.

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

Sec. 19. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

**Subd. 6. High voltage transmission; constructability report; advance notice.** (a) If the commissioner and a utility or transmission line developer identify a permissible route along a trunk highway corridor for possible colocation of transmission lines, a constructability report must be prepared by the utility or transmission line developer in consultation with the commissioner. A constructability report developed under this subdivision must be used by both parties to plan and approve colocation projects.

(b) A constructability report developed under this section between the commissioner and the parties seeking colocation must include terms and conditions for building the colocation project. Notwithstanding the requirements in subdivision 1, the report must be approved by the commissioner and the party or parties seeking colocation prior to the commissioner approving and issuing a permit for use of the trunk highway right-of-way.

(c) A constructability report must include an agreed upon time frame for which there may not be a request from the commissioner for relocation of the transmission line. If the commissioner determines that relocation of a transmission line in the trunk highway right-of-way is necessary, the commissioner, as much as practicable, must give a four-year advance notice.

(d) Notwithstanding the requirements of subdivision 7 and section 161.46, subdivision 2, if the commissioner requires the relocation of a transmission line in the interstate highway right-of-way earlier than the agreed upon time frame in paragraph (c) in the constructability report or provides less than a four-year notice of relocation in the agreed upon constructability report, the commissioner is responsible for 75 percent of the relocation costs.

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

Sec. 20. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

**Subd. 7. High voltage transmission; relocation reimbursement prohibited.** (a) A high voltage transmission line that receives a route permit under chapter 216E on or after July 1, 2024, is not eligible for relocation reimbursement under section 161.46, subdivision 2.

(b) If the commissioner orders relocation of a high voltage transmission line that is subject to paragraph (a):

(1) a public utility, as defined in section 216B.02, subdivision 4, may recover its portion of costs of relocating the line that the Public Utilities Commission deems prudently incurred as a transmission cost adjustment pursuant to section 216B.16, subdivision 7b; and

(2) a consumer-owned utility, as defined in section 216B.2402, subdivision 2, may recover its portion of costs of relocating the line in any manner approved by its governing board.

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

Sec. 21. Minnesota Statutes 2022, section 161.46, subdivision 1, is amended to read:

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

~~(1)~~ (b) "Utility" means all publicly, privately, and cooperatively owned systems for supplying power, light, gas, telegraph, telephone, water, pipeline, or sewer service if such systems be authorized by law to use public highways for the location of its facilities.

~~(2)~~ (c) "Cost of relocation" means the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

(d) "High voltage transmission line" has the meaning given in section 216E.01, subdivision 4.

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 161.46, subdivision 2, is amended to read:

Subd. 2. **Relocation of facilities; reimbursement.** ~~(a) Whenever the commissioner shall determine~~ determines that the relocation of any utility facility is necessitated by the construction of a project on the routes of federally aided state trunk highways, including urban extensions thereof, which routes that are included within the National System of Interstate Highways, the owner or operator of such the utility facility shall must relocate the same utility facility in accordance with the order of the commissioner. After the completion of such relocation the cost thereof shall be ascertained and paid by the state out of trunk highway funds; provided, however, the amount to be paid by the state for such reimbursement shall not exceed the amount on which the federal government bases its reimbursement for said interstate system. Except as provided in section 161.45, subdivision 6, paragraph (d), or 7, upon the completion of relocation of a utility facility, the cost of relocation must be ascertained and paid out of the trunk highway fund by the commissioner, provided the amount paid by the commissioner for reimbursement to a utility does not exceed the amount on which the federal government bases its reimbursement for the interstate highway system.

~~(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives a route permit under chapter 216E for a high voltage transmission line necessary to interconnect an electric power generating facility is not eligible for relocation reimbursement unless the entity directly, or through its members or agents, provides retail electric service in this state.~~

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

Sec. 23. Minnesota Statutes 2022, section 162.02, is amended by adding a subdivision to read:

Subd. 4a. **Location and establishment; limitations.** The county state-aid highway system must not include a segment of a county highway that is designated as a pedestrian mall under chapter 430.

Sec. 24. Minnesota Statutes 2022, section 162.081, subdivision 4, is amended to read:

Subd. 4. **Formula for distribution to towns; purposes.** (a) Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's population and town road mileage, and other factors the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to each town treasurer must be made by March 1, annually, or within 30 days after

receipt of payment from the commissioner. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule.

(b) Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town, including debt service for bonds issued by the town in accordance with chapter 475, provided that the bonds are issued for a use allowable under this paragraph.

Sec. 25. Minnesota Statutes 2022, section 162.09, is amended by adding a subdivision to read:

Subd. 6a. **Location and establishment; limitations.** The municipal state-aid street system must not include a segment of a city street that is designated as a pedestrian mall under chapter 430.

Sec. 26. Minnesota Statutes 2022, section 162.145, subdivision 5, is amended to read:

Subd. 5. **Use of funds.** (a) Funds distributed under this section are available only for construction and maintenance of roads located within the city, including:

- (1) land acquisition, environmental analysis, design, engineering, construction, reconstruction, and maintenance;
- (2) road projects partially located within the city;
- (3) projects on county state-aid highways located within the city; ~~and~~
- (4) cost participation on road projects under the jurisdiction of another unit of government; ~~and~~

(5) debt service for obligations issued by the city in accordance with chapter 475, provided that the obligations are issued for a use allowable under this section.

(b) Except for projects under paragraph (a), clause (3), funds distributed under this section are not subject to state-aid requirements under this chapter, including but not limited to engineering standards adopted by the commissioner in rules.

Sec. 27. Minnesota Statutes 2023 Supplement, section 162.146, is amended by adding a subdivision to read:

Subd. 3. **Use of funds.** (a) Funds distributed under this section are available only for construction and maintenance of roads located within the city, including:

- (1) land acquisition, environmental analysis, design, engineering, construction, reconstruction, and maintenance;
- (2) road projects partially located within the city;
- (3) projects on municipal state-aid streets located within the city;
- (4) projects on county state-aid highways located within the city;
- (5) cost participation on road projects under the jurisdiction of another unit of government; and

(6) debt service for obligations issued by the city in accordance with chapter 475, provided that the obligations are issued for a use allowable under this section.

(b) Except for projects under paragraph (a), clauses (3) and (4), funds distributed under this section are not subject to state-aid requirements under this chapter, including but not limited to engineering standards adopted by the commissioner in rules.

Sec. 28. Minnesota Statutes 2022, section 168.09, subdivision 7, is amended to read:

Subd. 7. **Display of temporary permit.** (a) ~~A vehicle that displays a Minnesota plate issued under this chapter may display a temporary permit~~ The commissioner may issue a temporary permit under this subdivision in conjunction with the conclusion of a registration period or a recently expired registration if:

(1) the current registration tax and all other fees and taxes have been paid in full; and

(2) ~~the plate has~~ special plates have been applied for.

~~(b) A vehicle may display a temporary permit in conjunction with expired registration, with or without a registration plate, if:~~

~~(1) the plates have been applied for;~~

~~(2) the registration tax and other fees and taxes have been paid in full; and~~

~~(3) either the vehicle is used solely as a collector vehicle while displaying the temporary permit and not used for general transportation purposes or the vehicle was issued a 21-day permit under section 168.092, subdivision 1.~~

~~(e)~~ (b) The permit is valid for a period of 60 days. The permit must be in a format prescribed by the commissioner, affixed to the rear of the vehicle where a license plate would normally be affixed, and plainly visible. The permit is valid only for the vehicle for which it was issued to allow a reasonable time for the new plates to be manufactured and delivered to the applicant. The permit may be issued only by the commissioner or by a deputy registrar under section 168.33.

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

Sec. 29. Minnesota Statutes 2022, section 168.092, is amended to read:

**168.092 ~~21-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.**

Subdivision 1. **Resident buyer.** The ~~motor vehicle registrar~~ commissioner may issue a permit to a person purchasing a new or used motor vehicle in this state for the purpose of allowing the purchaser a reasonable time to register the vehicle and pay fees and taxes due on the transfer. The permit is valid for a period of ~~21~~ 60 days. The permit must be in a ~~form as the registrar may determine~~ format prescribed by the commissioner, affixed to the rear of the vehicle where a license plate would normally be affixed, and plainly visible. Each permit is valid only for the vehicle for which issued.

Subd. 2. **Dealer.** The ~~registrar~~ commissioner may issue permits to licensed dealers. When issuing a permit, the dealer ~~shall~~ must complete the permit in the manner prescribed by the department.

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



Sec. 30. Minnesota Statutes 2023 Supplement, section 168.1259, is amended to read:

**168.1259 MINNESOTA PROFESSIONAL SPORTS TEAM ~~FOUNDATION~~ PHILANTHROPY PLATES.**

Subdivision 1. **Definition.** For purposes of this section, "Minnesota professional sports team" means one of the following teams while its home stadium is located in Minnesota: Minnesota Vikings, Minnesota Timberwolves, Minnesota Lynx, Minnesota Wild, Minnesota Twins, or Minnesota United.

Subd. 2. **General requirements and procedures.** (a) The commissioner must issue Minnesota professional sports team ~~foundation~~ philanthropy plates to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the professional sports team ~~foundations~~ philanthropy account; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

(b) Minnesota professional sports team ~~foundation~~ philanthropy plates may be personalized according to section 168.12, subdivision 2a.

Subd. 3. **Design.** At the request of a Minnesota professional sports ~~team or the~~ team's foundation, the commissioner must, in consultation with the ~~team or~~ foundation, adopt a suitable plate design ~~incorporating~~. Each design must incorporate the requesting foundation's marks and colors or directly relate to a charitable purpose as provided in subdivision 5. The commissioner may design a single plate that incorporates the marks and colors of all ~~foundations~~ organizations that have requested a plate.

Subd. 4. **Plate transfers.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 2, paragraph (a), clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 5. **Contributions; account; appropriation.** (a) Contributions collected under subdivision 2, paragraph (a), clause (5), must be deposited in the Minnesota professional sports team ~~foundations~~ philanthropy account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the foundations, or as provided in this subdivision, in the proportion that each plate design bears to the total number of Minnesota professional sports team ~~foundation~~ philanthropy plates issued for that year. Proceeds from a plate that includes the marks and colors of all ~~foundations~~ participating organizations must be divided evenly between all foundations and charitable purposes.

(b) The foundations must only use the proceeds must only be used by:

(1) a Minnesota professional sports team foundation for philanthropic or charitable purposes; or

(2) the Minnesota United professional sports team through a designation that the funds are for the Minnesota Loon Restoration Project.

(c) The commissioner must annually transfer funds designated under paragraph (b), clause (2), from the Minnesota professional sports team philanthropy account to the Minnesota critical habitat private sector matching account under section 84.943 for purposes of the Minnesota Loon Restoration Project.

**EFFECTIVE DATE.** This section is effective October 1, 2024, for Minnesota professional sports team philanthropy plates issued on or after that date.

Sec. 31. Minnesota Statutes 2022, section 168.127, is amended to read:

**168.127 FLEET VEHICLES; REGISTRATION, FEE.**

Subdivision 1. **Unique registration category.** (a) A unique registration category is established for vehicles and trailers of a fleet. Vehicles registered in the fleet must be issued a distinctive license plate. The design and size of the fleet license plate must be determined by the commissioner.

(b) A deputy registrar may issue replacement license plates for qualified vehicles in a registered fleet pursuant to section 168.29.

Subd. 2. **Annual registration period.** The annual registration period for vehicles in the fleet ~~will be~~ is determined by the commissioner. The applicant must provide all information necessary to qualify as a fleet registrant, including a list of all vehicles in the fleet. On initial registration, all taxes and fees for vehicles in the fleet must be reassessed based on the expiration date.

Subd. 3. **Registration cards issued.** (a) On approval of the application for fleet registration, the commissioner must issue a registration card for each qualified vehicle in the fleet. The registration card must be carried in the vehicle at all times and be made available to a peace officer on demand. The registered gross weight must be indicated on the license plate.

(b) A new vehicle may be registered to an existing fleet upon application to a deputy registrar and payment of the fee under section 168.33, subdivision 7.

(c) A deputy registrar must issue a replacement registration card for any registered fleet or any qualified vehicle in a registered fleet upon application.

Subd. 4. **Filing registration applications.** Initial fleet applications for registration and renewals must be filed with the ~~registrar~~ commissioner or authorized deputy registrar.

Subd. 5. **Renewal of fleet registration.** On the renewal of a fleet registration, the registrant ~~shall~~ must pay full licensing fees for every vehicle registered in the preceding year unless the vehicle has been properly deleted from the fleet. In order to delete a vehicle from a fleet, the fleet registrant must surrender to the commissioner the registration card and license plates. The ~~registrar~~ commissioner may authorize alternative methods of deleting vehicles from a fleet, including destruction of the license plates and registration cards. If the card or license plates are lost or stolen, the fleet registrant ~~shall~~ must submit a sworn statement stating the circumstances for the inability to surrender the card, stickers, and license plates. ~~The commissioner shall assess~~ A fleet registrant who fails to

renew the licenses issued under this section or fails to report the removal of vehicles from the fleet within 30 days of the vehicles' removal must pay a penalty of 20 percent of the total tax due on the fleet against the fleet registrant who fails to renew the licenses issued under this section or fails to report the removal of vehicles from the fleet within 30 days. The penalty must be paid within 30 days after it is assessed.

Subd. 6. **Fee.** ~~Instead of~~ The applicant for fleet registration must pay the filing fee described in section 168.33, subdivision 7, the applicant for fleet registration shall pay an equivalent administrative fee to the commissioner for each vehicle in the fleet.

**EFFECTIVE DATE.** This section is effective October 1, 2024, for fleet vehicle transactions on or after that date.

Sec. 32. **[168.1283] ROTARY INTERNATIONAL PLATES.**

Subdivision 1. **Issuance of plates.** The commissioner must issue Rotary International special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or self-propelled recreational motor vehicle;

(2) pays the registration tax as required under section 168.013;

(3) pays a fee in the amount specified under section 168.12, subdivision 5, for each set of plates, along with any other fees required by this chapter;

(4) contributes \$25 upon initial application and a minimum of \$5 annually to the Rotary District 5950 Foundation account; and

(5) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The commissioner must adopt a suitable design for the plate that must include the Rotary International symbol and the phrase "Service Above Self."

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates may be transferred to another qualified motor vehicle that is registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account; appropriation.** Contributions collected under subdivision 1, clause (4), must be deposited in the Rotary District 5950 Foundation account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds must be distributed to the Rotary District 5950 Foundation to further the rotary's mission of service, fellowship, diversity, integrity, and leadership. Funds distributed under this subdivision must be used on projects within this state.

**EFFECTIVE DATE.** This section is effective January 1, 2025, for Rotary International special plates issued on or after that date.

Sec. 33. Minnesota Statutes 2023 Supplement, section 168.29, is amended to read:

**168.29 REPLACEMENT PLATES.**

(a) In the event of the defacement, loss, or destruction of any number plates or validation stickers, the ~~registrar~~ commissioner, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances of the defacement, loss, destruction, or theft of the number plates or validation stickers, together with any defaced plates or stickers and the payment of a fee calculated to cover the cost of replacement, ~~shall~~ must issue a new set of plates or stickers.

(b) A licensed motor vehicle dealer may only apply for replacement plates upon application for a certificate of title in the name of a new owner or the dealer. The commissioner must issue a new set of plates or validation stickers upon application for title and registration after removal of plates pursuant to section 168A.11, subdivision 2.

(c) Plates issued under this section are subject to section 168.12

(d) The ~~registrar shall then~~ commissioner must note on the registrar's commissioner's records the issue of new number plates and shall proceed in such manner as the registrar may deem advisable to must attempt to cancel and call in the original plates so as to insure against their use on another motor vehicle.

(e) Duplicate registration certificates plainly marked as duplicates may be issued in like cases upon the payment of a \$1 fee. Fees collected under this section must be paid into the state treasury and credited to deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1.

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

Sec. 34. Minnesota Statutes 2022, section 168.301, subdivision 3, is amended to read:

Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon the transfer of title for a motor vehicle, the commissioner of public safety ~~shall~~ must impose a \$2 additional fee for failure to deliver a title transfer within ~~ten business days~~ the period specified under section 168A.10, subdivision 2.

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

Sec. 35. Minnesota Statutes 2022, section 168.33, is amended by adding a subdivision to read:

Subd. 8b. **Competitive bidding.** (a) Notwithstanding any statute or rule to the contrary, if a deputy registrar appointed under this section permanently stops offering services at the approved office location and permanently closes the approved office location, the commissioner must use a competitive bidding process for the appointment of a replacement deputy registrar. If available, the replacement deputy registrar appointed by the commissioner under this section must continue to offer services at the approved office location. If the existing office location is not available to the replacement deputy registrar, the replacement office location must be at a location that must be approved by the commissioner and must serve a similar service area as the existing office location.

(b) The commissioner must not give a preference to a partner, owner, manager, or employee of the deputy registrar that has permanently stopped offering services at the closed office location in a competitive bidding process.

(c) The commissioner must adopt rules to administer and enforce a competitive bidding process to select a replacement deputy registrar. If the replacement deputy registrar elects to not offer services at the office location of the prior registrar, Minnesota Rules, chapter 7406, governing the selection of a proposed office location of a driver's license agent, applies.

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

Sec. 36. Minnesota Statutes 2022, section 168A.10, subdivision 2, is amended to read:

Subd. 2. **Application for new certificate.** Except as provided in section 168A.11, the transferee ~~shall~~ must, within ~~ten~~ 20 calendar days after assignment to the transferee of the vehicle title certificate, execute the application for a new certificate of title in the space provided on the certificate, and cause the certificate of title to be mailed or delivered to the department. Failure of the transferee to comply with this subdivision ~~shall result~~ results in the suspension of the vehicle's registration under section 168.17.

**EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title transfers on or after that date.

Sec. 37. Minnesota Statutes 2022, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring the vehicle to another person, other than by the creation of a security interest, the dealer ~~shall~~ must promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided ~~therefor~~ on the certificate of title or secure reassignment.

(b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the dealer need not register the vehicle but ~~shall~~ must pay one month's registration tax. If a dealer elects to apply for a certificate of title on a vehicle held for resale, the ~~department shall~~ commissioner must not place any legend on the title that no motor vehicle sales tax was paid by the dealer, but may indicate on the title whether the vehicle is a new or used vehicle.

(c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer ~~shall~~ must also, in the space provided ~~therefor~~ on the certificate of title or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage.

(d) The transferee ~~shall~~ must complete the application for title section on the certificate of title or separate title application form prescribed by the ~~department~~ commissioner. The dealer ~~shall~~ must mail or deliver the certificate to the ~~registrar~~ commissioner or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within ~~ten business days~~ the period specified under section 168A.10, subdivision 2.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer ~~shall~~ must remove any license plates from the vehicle, issue a 31-day temporary permit pursuant to section 168.091, and notify the ~~registrar~~ commissioner within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the ~~registrar~~ commissioner. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of \$7 per transaction to provide this service.

**EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title transfers on or after that date.

Sec. 38. Minnesota Statutes 2022, section 168A.11, subdivision 2, is amended to read:

Subd. 2. **Notification on vehicle held for resale; service fee.** Within 48 hours of acquiring a vehicle titled and registered in Minnesota, a dealer ~~shall~~ must:

(1) notify the ~~registrar~~ commissioner that the dealership is holding the vehicle for resale. The notification must be made electronically as prescribed by the ~~registrar~~ commissioner. The dealer may contract this service to a deputy registrar and the registrar may charge a fee of \$7 per transaction to provide this service; and

(2) remove any plates from the vehicle and dispose of them as prescribed by the commissioner.

**EFFECTIVE DATE.** This section is effective October 1, 2024, for vehicles on or after that date.

Sec. 39. Minnesota Statutes 2022, section 168B.035, subdivision 3, is amended to read:

Subd. 3. **Towing prohibited.** (a) A towing authority may not tow a motor vehicle because:

(1) the vehicle has expired registration tabs that have been expired for less than 90 days; ~~or~~

(2) the vehicle is at a parking meter on which the time has expired and the vehicle has fewer than five unpaid parking tickets; or

(3) the vehicle is identified in conjunction with a citation to the vehicle owner or lessee for (i) a violation under section 169.06, subdivision 10, or (ii) a violation under section 169.14, subdivision 13.

(b) A towing authority may tow a motor vehicle, notwithstanding paragraph (a), if:

(1) the vehicle is parked in violation of snow emergency regulations;

(2) the vehicle is parked in a rush-hour restricted parking area;

(3) the vehicle is blocking a driveway, alley, or fire hydrant;

(4) the vehicle is parked in a bus lane, or at a bus stop, during hours when parking is prohibited;

(5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

(6) the vehicle is parked in a disability transfer zone or disability parking space without a disability parking certificate or disability license plates;

(7) the vehicle is parked in an area that has been posted for temporary restricted parking (i) at least 12 hours in advance in a home rule charter or statutory city having a population under 50,000, or (ii) at least 24 hours in advance in another political subdivision;

(8) the vehicle is parked within the right-of-way of a controlled-access highway or within the traveled portion of a public street when travel is allowed there;

(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the Metropolitan Airports Commission;

(11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;

(12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;

(13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses;

(14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;

(15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle;

(16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking; or

(17) the vehicle is a junk, abandoned, or unauthorized vehicle, as defined in section 168B.011, and subject to immediate removal under this chapter.

(c) A violation under section 169.06, subdivision 10, or 169.14, subdivision 13, is not a traffic offense under paragraph (b), clause (13).

Sec. 40. Minnesota Statutes 2023 Supplement, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** (a) "Electric-assisted bicycle" means a bicycle with two or three wheels that:

(1) has a saddle and fully operable pedals for human propulsion;

(2) meets the requirements for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements;

(3) is equipped with an electric motor that has a power output of not more than 750 watts;

(4) meets the requirements of a class 1, class 2, ~~or~~ class 3, or multiple mode electric-assisted bicycle; and

(5) has a battery or electric drive system that has been tested to an applicable safety standard by a third-party testing laboratory.

(b) A vehicle is not an electric-assisted bicycle if it is designed, manufactured, or intended by the manufacturer or seller to be configured or modified to not meet the requirements for an electric-assisted bicycle or operate within the requirements for an electric-assisted bicycle class.

(c) For purposes of this subdivision, "configured or modified" includes any of the following changes:

(1) a mechanical switch or button;

(2) a modification or change to the electric motor or the electric drive system;

(3) the use of an application to increase or override the electric drive system; or

(4) through any other means represented or intended by the manufacturer or seller to modify the vehicle to no longer meet the requirements or classification of an electric-assisted bicycle.

Sec. 41. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 45a. **Multiple mode electric-assisted bicycle.** "Multiple mode electric-assisted bicycle" means an electric-assisted bicycle equipped with switchable or programmable modes that provide for operation as two or more of a class 1, class 2, or class 3 electric-assisted bicycle in conformance with the definition and requirements under this chapter for each respective class.

Sec. 42. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 62b. **Red light camera system.** "Red light camera system" means an electronic system of one or more cameras or other motor vehicle sensors that is specifically designed to automatically produce recorded images of a motor vehicle operated in violation of a traffic-control signal, including related information technology for recorded image storage, retrieval, and transmission.

Sec. 43. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 77a. **Speed safety camera system.** "Speed safety camera system" means an electronic system of one or more cameras or other motor vehicle sensors that is specifically designed to automatically produce recorded images of a motor vehicle operated in violation of the speed limit, including related information technology for recorded image storage, retrieval, and transmission.

Sec. 44. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 85a. **Traffic safety camera system.** "Traffic safety camera system" means a red light camera system, a speed safety camera system, or both in combination.

Sec. 45. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 92b. **Vulnerable road user.** "Vulnerable road user" means a person in the right-of-way of a highway, including but not limited to a bikeway and an adjacent sidewalk or trail, who is:

- (1) a pedestrian;
- (2) on a bicycle, including an electric-assisted bicycle, or on another nonmotorized vehicle or device;
- (3) on an electric personal assistive mobility device;
- (4) on an implement of husbandry; or
- (5) riding an animal.

Vulnerable road user includes the operator and any passengers for a vehicle, device, or personal conveyance identified in this subdivision.

Sec. 46. Minnesota Statutes 2022, section 169.04, is amended to read:

#### **169.04 LOCAL AUTHORITY.**

(a) The provisions of this chapter shall not be deemed to prevent local authorities, with respect to streets and highways under their jurisdiction, and with the consent of the commissioner, with respect to state trunk highways, within the corporate limits of a municipality, or within the limits of a town in a county in this state now having or which may hereafter have, a population of 500,000 or more, and a land area of not more than 600 square miles, and within the reasonable exercise of the police power from:

- (1) regulating the standing or parking of vehicles;
- (2) regulating traffic by means of police officers or traffic-control signals;



(3) regulating or prohibiting processions or assemblages on the highways;

(4) designating particular highways as one-way roadways and requiring that all vehicles, except emergency vehicles, when on an emergency run, thereon be moved in one specific direction;

(5) designating any highway as a through highway and requiring that all vehicles stop before entering or crossing the same, or designating any intersection as a stop intersection, and requiring all vehicles to stop at one or more entrances to such intersections;

(6) restricting the use of highways as authorized in sections 169.80 to 169.88;

(7) regulating speed limits through the use of a speed safety camera system implemented under section 169.147; and

(8) regulating traffic control through the use of a red light camera system implemented under section 169.147.

(b) No ordinance or regulation enacted under paragraph (a), clause (4), (5), or (6), shall be effective until signs giving notice of such local traffic regulations are posted upon and kept posted upon or at the entrance to the highway or part thereof affected as may be most appropriate.

(c) No ordinance or regulation enacted under paragraph (a), clause (3), or any other provision of law shall prohibit:

(1) the use of motorcycles or vehicles utilizing flashing red lights for the purpose of escorting funeral processions, oversize buildings, heavy equipment, parades or similar processions or assemblages on the highways; or

(2) the use of motorcycles or vehicles that are owned by the funeral home and that utilize flashing red lights for the purpose of escorting funeral processions.

(d) Ordinances or regulations enacted under paragraph (a), clauses (7) and (8), are effective after August 1, 2025, and before August 1, 2029.

Sec. 47. Minnesota Statutes 2022, section 169.06, is amended by adding a subdivision to read:

**Subd. 10. Red light camera; penalty.** (a) Subject to subdivision 11, if a motor vehicle is operated in violation of a traffic-control signal and the violation is identified through the use of a red light camera system implemented under section 169.147, the owner of the vehicle or the lessee of the vehicle is guilty of a petty misdemeanor and must pay a fine of \$40.

(b) A person who commits a first offense under paragraph (a) must be given a warning and is not subject to a fine or conviction under paragraph (a). A person who commits a second offense under paragraph (a) is eligible for diversion, which must include a traffic safety course established under section 169.147, subdivision 11. A person who enters diversion and completes the traffic safety course is not subject to a fine or conviction under paragraph (a).

(c) Paragraph (b) does not apply to:

(1) a violation that occurs in a commercial motor vehicle; or

(2) a violation committed by a holder of a class A, B, or C commercial driver's license or commercial driver learner's permit, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle.

(d) This subdivision applies to violations committed on or after August 1, 2025, and before August 1, 2029.

Sec. 48. Minnesota Statutes 2022, section 169.06, is amended by adding a subdivision to read:

Subd. 11. **Red light camera; limitations.** (a) An owner or lessee of a motor vehicle is not subject to a fine or conviction under subdivision 10 if any of the conditions under section 169.14, subdivision 14, paragraph (a), clauses (1) to (7), are met.

(b) The owner or lessee of a motor vehicle may not be issued a citation under subdivision 10 and under another subdivision in this section for the same conduct.

(c) A fine or conviction under subdivision 10 does not constitute grounds for revocation or suspension of a person's driver's license.

(d) Except as provided in subdivision 10, paragraph (c), this subdivision applies to violations committed on or after August 1, 2025, and before August 1, 2029.

Sec. 49. Minnesota Statutes 2022, section 169.14, subdivision 10, is amended to read:

Subd. 10. **Radar; speed-measuring device; standards of evidence.** (a) In any prosecution in which the rate of speed of a motor vehicle is relevant, evidence of the speed as indicated on radar or other speed-measuring device, including but not limited to a speed safety camera system, is admissible in evidence, subject to the following conditions:

(1) the officer or traffic enforcement agent under section 169.147 operating the device has sufficient training to properly operate the equipment;

(2) the officer or traffic enforcement agent testifies as to the manner in which the device was set up and operated;

(3) the device was operated with minimal distortion or interference from outside sources; and

(4) the device was tested by an accurate and reliable external mechanism, method, or system at the time it was set up.

(b) Records of tests made of such devices and kept in the regular course of operations of any law enforcement agency are admissible in evidence without further foundation as to the results of the tests. The records shall be available to a defendant upon demand. Nothing in this subdivision shall be construed to preclude or interfere with cross examination or impeachment of evidence of the rate of speed as indicated on the radar or speed-measuring device.

(c) Evidence from a speed safety camera system may be used solely for a citation or prosecution for a violation under subdivision 13.

Sec. 50. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to read:

Subd. 13. **Speed safety camera; penalty.** (a) Subject to subdivision 14, if a motor vehicle is operated in violation of a speed limit and the violation is identified through the use of a speed safety camera system implemented under section 169.147, the owner of the vehicle or the lessee of the vehicle is guilty of a petty misdemeanor and must pay a fine of:

(1) \$40; or

(2) \$80, if the violation is for a speed at least 20 miles per hour in excess of the speed limit.

(b) A person who commits a first offense under paragraph (a) must be given a warning and is not subject to a fine or conviction under paragraph (a). A person who commits a second offense under paragraph (a) is eligible for diversion, which must include a traffic safety course established under section 169.147, subdivision 11. A person who enters diversion and completes the traffic safety course is not subject to a fine or conviction under paragraph (a).

(c) Paragraph (b) does not apply to:

(1) a violation that occurs in a commercial motor vehicle; or

(2) a violation committed by a holder of a class A, B, or C commercial driver's license or commercial driver learner's permit, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle.

(d) This subdivision applies to violations committed on or after August 1, 2025, and before August 1, 2029.

Sec. 51. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to read:

Subd. 14. **Speed safety camera; limitations.** (a) An owner or lessee of a motor vehicle is not subject to a fine or conviction under subdivision 13 if:

(1) the vehicle was stolen at the time of the violation;

(2) a transfer of interest in the vehicle in compliance with section 168A.10 was made before the time of the violation;

(3) the vehicle owner is a lessor of the motor vehicle, and the lessor identifies the name and address of the lessee;

(4) the vehicle is an authorized emergency vehicle operated in the performance of official duties at the time of the violation;

(5) another person is convicted, within the meaning under section 171.01, subdivision 29, for the same violation;

(6) the vehicle owner provides a sworn statement to the court or prosecuting authority that the owner was not operating the vehicle at the time of the violation; or

(7) the vehicle owner provides a sworn statement to the court or prosecuting authority that the owner was operating the vehicle at the time of the violation under the circumstances of a medical emergency for either the driver or a passenger in the vehicle.

(b) The owner or lessee of a motor vehicle may not be issued a citation under subdivision 13 and under another subdivision in this section for the same conduct.

(c) Except as provided in subdivision 13, paragraph (c), a fine or conviction under subdivision 13 does not constitute grounds for revocation or suspension of a person's driver's license.

(d) A vehicle owner asserting a defense under paragraph (a), clause (7), must provide an accompanying sworn statement from the physician responsible for treatment of the underlying condition or emergency that necessitated medical attention.

(e) This subdivision applies to violations committed on or after August 1, 2025, and before August 1, 2029.

Sec. 52. **[169.147] TRAFFIC SAFETY CAMERA SYSTEM PILOT PROGRAM.**

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

(b) "Camera-based traffic enforcement" means enforcement of traffic control through the use of a red light camera system, speed limits through the use of a speed safety camera system, or both.

(c) "Commissioner" means the commissioner of transportation.

(d) "Commissioners" means the commissioner of transportation as the lead in coordination with the commissioner of public safety.

(e) "Implementing authority" means either:

(1) the commissioners with respect to trunk highways for the work zone pilot program provided under subdivision 17; or

(2) a local authority specified in paragraph (f) that implements the traffic safety camera system pilot program.

(f) "Local authority" means either the city of Minneapolis or the city of Mendota Heights, which are authorized to conduct the pilot program.

(g) "Monitoring site" means a location at which a traffic safety camera system is placed and operated under this section.

(h) "Pilot program" means the traffic safety camera pilot program established in this section.

(i) "Traffic enforcement agent" means a licensed peace officer or an employee of a local authority who is designated as provided in this section.

**Subd. 2. Pilot program establishment.** (a) In conformance with this section, the commissioner of transportation, in coordination with the commissioner of public safety, must establish a traffic safety camera pilot program that provides for education and enforcement of speeding violations, traffic-control signal violations, or both in conjunction with use of traffic safety camera systems.

(b) The authority for camera-based traffic enforcement under the pilot program is limited to August 1, 2025, to July 31, 2029.

(c) Only the following may implement camera-based traffic enforcement under the pilot program:

(1) the commissioners, as provided under paragraph (d);

(2) the city of Minneapolis, as provided under paragraph (e); and

(3) the city of Mendota Heights.

(d) Under the pilot program, the commissioners must, beginning August 1, 2025, commence enforcement of speeding violations in trunk highway work zones as specified under subdivision 17.

(e) The city of Minneapolis is prohibited from implementing the pilot program or camera-based traffic enforcement through or in substantive coordination with the city's police department.

Subd. 3. **Local authority requirements.** Prior to implementation of camera-based traffic enforcement, a local authority must:

(1) incorporate both camera-based traffic enforcement and additional strategies designed to improve traffic safety in a local traffic safety action plan, transportation plan, or comprehensive plan; and

(2) review and ensure compliance with the requirements under this section.

Subd. 4. **Traffic safety camera system requirements.** (a) By July 1, 2025, the commissioners must establish traffic safety camera system standards that include:

(1) recording and data requirements as specified in subdivision 15;

(2) requirements for monitoring site signage in conformance with the requirements under subdivision 5, paragraph (b), clause (3);

(3) procedures for traffic safety camera system placement in conformance with the requirements under subdivision 6;

(4) training and qualification of individuals to inspect and calibrate a traffic safety camera system;

(5) procedures for initial calibration of the traffic safety camera system prior to deployment; and

(6) requirements for regular traffic safety camera system inspection and maintenance by a qualified individual.

(b) Prior to establishing the standards under paragraph (a), the commissioners must solicit review and comments and consider any comments received.

(c) An implementing authority must follow the requirements and standards established under this subdivision.

Subd. 5. **Public engagement and notice.** (a) The commissioner and each implementing authority must maintain information on their respective websites that, at a minimum:

(1) summarizes implementation of traffic safety camera systems under the pilot program;

(2) provides each camera system impact study performed by the implementing authority under subdivision 6, paragraph (b);

(3) provides information and procedures for a person to contest a citation under the pilot program; and

(4) identifies the enforcement locations under the pilot program.

(b) An implementing authority must:

(1) implement a general public engagement and information campaign prior to commencing camera-based speed enforcement under the pilot program;

(2) perform public engagement as part of conducting a camera system impact study under subdivision 6, paragraph (b); and

(3) place conspicuous signage prior to the motorist's arrival at each monitoring site, which must:

(i) notify motor vehicle operators of the use of a traffic safety camera system to detect violations; and

(ii) if a speed safety camera is in use, identify the speed limit.

(c) Public engagement under paragraph (b) must include but is not limited to:

(1) outreach to populations that are traditionally underrepresented in public policy or planning processes;

(2) consolidation and analysis of public feedback; and

(3) creation of an engagement summary that identifies public feedback and the resulting impacts on implementation of camera-based traffic enforcement.

**Subd. 6. Placement requirements.** (a) A local authority with fewer than 10,000 residents may place no more than one traffic safety camera system, whether the camera system is activated or inactive. A local authority with at least 10,000 residents may place no more than one traffic safety camera system per 10,000 residents, whether the camera system is activated or inactive. An implementing authority may move the location of a traffic safety camera system if the placement requirements under this subdivision are met.

(b) An implementing authority may only place a traffic safety camera system in conformance with the results of a camera system impact study. At a minimum, the study must:

(1) include evaluation of crash rates and severity, vehicle speed, equity, and traffic safety treatment alternatives;

(2) identify traffic safety camera system locations; and

(3) explain how the locations comply with the placement requirements under paragraph (d).

(c) An implementing authority may only place a traffic safety camera system:

(1) in a trunk highway work zone; or

(2) at a location that:

(i) is within 2,000 feet of (A) a public or nonpublic school, (B) a school zone established under section 169.14, subdivision 5a, or (C) a public or private postsecondary institution; and

(ii) has an identified traffic safety concern, as indicated by crash or law enforcement data, safety plans, or other documentation.

(d) An implementing authority that places more than one traffic safety camera system must ensure that the cameras are placed in geographically distinct areas and in multiple communities with differing socioeconomic conditions.

(e) An implementing authority may place a traffic safety camera system on a street or highway that is not under its jurisdiction only upon approval by the road authority that has jurisdiction.

Subd. 7. **Traffic-control devices.** (a) An implementing authority must not adjust the change interval for the steady yellow indication in a traffic-control signal:

(1) for one month prior to beginning to operate a red light camera system at the associated intersection; or

(2) during the period that the red light camera system is operated at the associated intersection.

(b) The yellow change interval for a traffic-control signal that is subject to paragraph (a) must meet or exceed the standards and guidance specified in the Manual on Uniform Traffic Control Devices adopted under section 169.06, subdivision 1.

(c) An implementing authority that adjusts the yellow change interval for a traffic-control signal at an intersection where a red light camera system is being operated must deactivate the red light camera system and subsequently meet the requirements under paragraph (a).

Subd. 8. **Traffic enforcement agents.** (a) To meet the requirement established in subdivision 2, paragraph (e), the city of Minneapolis must designate one or more permanent employees of the authority, who is not a licensed peace officer, as a traffic enforcement agent. An employee of a private entity may not be designated as a traffic enforcement agent. A traffic enforcement agent who is not a licensed peace officer has the authority to issue citations under this section only while engaged in job duties and otherwise has none of the other powers and privileges reserved to peace officers.

(b) The city of Mendota Heights must designate a sworn peace officer as a traffic enforcement agent.

(c) An implementing authority must ensure that a traffic enforcement agent is properly trained in the use of equipment and the requirements governing traffic safety camera implementation.

Subd. 9. **Citations; warnings.** (a) A traffic enforcement agent under the pilot program has the exclusive authority to issue a citation to the owner or lessee of a motor vehicle for (1) a violation under section 169.06, subdivision 10, and (2) a violation under section 169.14, subdivision 13.

(b) A traffic enforcement agent may only issue a citation if:

(1) the violation is committed at least 30 days after the relevant implementing authority has commenced camera-based traffic enforcement;

(2) with respect to speed limits, the speeding violation is at least ten miles per hour in excess of the speed limit; and

(3) a traffic enforcement agent has inspected and verified recorded images provided by the traffic safety camera system.

(c) An implementing authority must provide a warning for a traffic-control signal violation under section 169.06, subdivision 10, or a speeding violation under section 169.14, subdivision 13, for the period from (1) the date when camera-based traffic enforcement is first commenced, to (2) the date when citations are authorized under paragraph (b), clause (1).

(d) Notwithstanding section 169.022, an implementing authority may specify a speed in excess of the speed limit that is higher than the amount specified in paragraph (b), clause (2), at which to proceed with issuance of a citation.

(e) A citation may be issued through the United States mail if postmarked within: (1) 14 days of the violation for a vehicle registered in Minnesota; or (2) 30 days of the violation for a vehicle registered outside of Minnesota. Section 168.346, subdivision 2, applies to a private entity that provides citation mailing services under this section.

Subd. 10. **Uniform citation.** (a) There must be a uniform traffic safety camera citation issued throughout the state by a traffic enforcement agent for a violation as provided under this section. The uniform traffic safety camera citation is in the form and has the effect of a summons and complaint.

(b) The commissioner of public safety must prescribe the detailed form of the uniform traffic safety camera citation. As appropriate, the citation design must conform with the requirements for a uniform traffic ticket under section 169.99, subdivisions 1 and 1d. The citation design must include:

(1) a brief overview of the pilot program and implementation of traffic safety camera systems;

(2) a summary of the circumstances of the citation that includes identification of the motor vehicle involved, the date and time of the violation, and the location where the violation occurred;

(3) copy of the recorded image or primary images used to identify a violation;

(4) a notification that the recorded images under clause (3) are evidence of a violation under section 169.06, subdivision 10, or 169.14, subdivision 13;

(5) a statement signed by the traffic enforcement agent who issued the citation stating that the agent has inspected the recorded images and determined that the violation occurred in the specified motor vehicle;

(6) a summary of the limitations under sections 169.06, subdivision 11, and 169.14, subdivision 14;

(7) notification that an owner is ineligible for diversion if the violation was committed by a holder of a class A, B, or C commercial driver's license or commercial driver learner's permit, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle;

(8) information on the diversion and traffic safety course eligibility and requirements under sections 169.06, subdivision 10, paragraph (b), and 169.14, subdivision 13, paragraph (b);

(9) the total amount of the fine imposed;

(10) a notification that the person has the right to contest the citation;

(11) information on the process and procedures for a person to contest the citation; and

(12) a statement that payment of the fine constitutes a plea of guilty and failure to appear in court is considered a plea of guilty, as provided under section 169.91.

(c) The commissioner of public safety must make the information required under paragraph (b) available in languages that are commonly spoken in the state and in each area in which a local authority has implemented camera-based traffic enforcement.

Subd. 11. **Traffic safety course.** (a) The commissioners must establish a traffic safety course that provides at least 30 minutes of instruction on speeding, traffic-control signals, and other traffic safety topics. The curriculum must include safety risks associated with speed and speeding in school zones and work zones.



(b) The commissioners must not impose a fee for an individual who is authorized to attend the course under sections 169.06, subdivision 10, and 169.14, subdivision 13.

Subd. 12. **Third-party agreements.** (a) An implementing authority may enter into agreements with a private entity for operations, services, or equipment under this section. Payment under a contract with a private entity must not be based on the number of violations, citations issued, or other similar means.

(b) An implementing authority that enters into a third-party agreement under this subdivision must perform a data practices audit of the private entity to confirm compliance with the requirements under subdivisions 14 to 16 and chapter 13. An audit must be undertaken at least every other year.

Subd. 13. **Use of revenue.** (a) Revenue from citations received by an implementing authority that is attributable to camera-based traffic enforcement must be allocated as follows:

(1) first as necessary to provide for implementation costs, which may include but are not limited to procurement and installation of traffic safety camera systems, traffic safety planning, and public engagement; and

(2) the remainder for traffic safety measures that perform traffic calming.

(b) The amount expended under paragraph (a), clause (2), must supplement and not supplant existing expenditures for traffic safety.

Subd. 14. **Data practices; general requirements.** (a) All data collected by a traffic safety camera system are private data on individuals as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9, unless the data are public under section 13.82, subdivision 2, 3, or 6, or are criminal investigative data under section 13.82, subdivision 7.

(b) An agreement with a private entity and an implementing authority pursuant to subdivision 12 is subject to section 13.05, subdivisions 6 and 11.

(c) A private entity must use the data gathered under this section only for purposes of camera-based traffic enforcement under the pilot program and must not share or disseminate the data with an entity other than the appropriate implementing authority, except pursuant to a court order. Nothing in this subdivision prevents a private entity from sharing or disseminating summary data, as defined in section 13.02, subdivision 19.

(d) Traffic safety camera system data are not subject to subpoena, discovery, or admission into evidence in any prosecution, civil action, or administrative process that is not taken pursuant to section 169.06, subdivision 10, or 169.14, subdivision 13.

Subd. 15. **Data practices; traffic safety camera system.** A traffic safety camera system:

(1) is limited to collection of the following data:

(i) recorded video or images of the rear license plate of a motor vehicle;

(ii) recorded video or images of motor vehicles and areas surrounding the vehicles to the extent necessary to (A) identify a violation of a traffic-control device, or (B) calculate vehicle speeds;

(iii) date, time, and vehicle location that correlates to the data collected under item (i) or (ii); and

(iv) general traffic data:

(A) collected specifically for purposes of pilot program analysis and evaluation;

(B) that does not include recorded video or images;

(C) in which individuals or unique vehicles are not identified; and

(D) from which an individual or unique vehicle is not ascertainable;

(2) must not record in a manner that makes any individual personally identifiable, including but not limited to the motor vehicle operator or occupants; and

(3) may only record or retain the data specified in clause (1), items (i) to (iii), if the traffic safety camera system identifies an appropriate potential violation for review by a traffic enforcement agent.

**Subd. 16. Data practices; destruction of data.** (a) Notwithstanding section 138.17, and except as otherwise provided in this subdivision, data collected by a traffic safety camera system must be destroyed within 30 days of the date of collection unless the data are criminal investigative data under section 13.82, subdivision 7, related to a violation of a traffic-control signal or a speed limit.

(b) Upon written request to a law enforcement agency from an individual who is the subject of a pending criminal charge or complaint, along with the case or complaint number and a statement that the data may be used as exculpatory evidence, data otherwise subject to destruction under paragraph (a) must be preserved by the law enforcement agency until the charge or complaint is resolved or dismissed.

(c) Upon written request from a program participant under chapter 5B, data collected by a traffic safety camera system related to the program participant must be destroyed at the time of collection or upon receipt of the request, whichever occurs later, unless the data are active criminal investigative data. The existence of a request submitted under this paragraph is private data on individuals as defined in section 13.02, subdivision 12.

(d) Notwithstanding section 138.17, data collected by a traffic safety camera system must be destroyed within three years of the resolution of a citation issued pursuant to this section.

(e) The destruction requirements under this subdivision do not apply to: (1) general traffic data as provided under subdivision 15, clause (1), item (iv); and (2) data that identifies the number of warnings or citations issued to an individual under this section.

**Subd. 17. Work zone pilot project.** (a) By August 1, 2025, the commissioners must implement a speed safety camera pilot project that provides for education of speeding violations in conjunction with the development and study of the use of speed safety camera systems.

(b) The commissioners must issue a warning for a violation of section 169.14, subdivision 13, captured by a speed safety camera system and must not impose any fine for a second or subsequent violation.

(c) The warning issued by the commissioners must include easily understandable information on speeding, traffic-control signals, and other safety risks associated with speed and speeding in work zones.

(d) The commissioner must establish an implementation schedule that begins commencement of camera-based traffic enforcement on at least two, but no more than four, trunk highway work zone segments by August 1, 2025. The commissioners may select different trunk highway work zones. The commissioners must conduct the work

zone pilot project in geographically diverse areas and must consider traffic patterns, work zone accident rates, historic speed enforcement and citation rates, and other factors to study further deployment of speed camera systems in additional work zones.

(e) By July 1, 2025, the commissioners of transportation and public safety must establish standards, schedules, curricula, and requirements for camera-based traffic enforcement in a trunk highway work zone.

(f) The authority for the work zone pilot project is limited to August 1, 2025, to July 31, 2029.

Subd. 18. **Exempt from rulemaking.** Rules adopted to implement this section are exempt from rulemaking under chapter 14 and are not subject to exempt rulemaking procedures under section 14.386.

Subd. 19. **Expiration.** This section expires July 31, 2029.

Sec. 53. Minnesota Statutes 2022, section 169.18, is amended by adding a subdivision to read:

Subd. 13. **Impeding motorcycle.** An operator of a motor vehicle must not intentionally impede or attempt to prevent the operation of a motorcycle when the motorcycle is operated under the conditions specified in section 169.974, subdivision 5, paragraph (g).

**EFFECTIVE DATE.** This section is effective July 1, 2025, for violations committed on or after that date.

Sec. 54. Minnesota Statutes 2022, section 169.21, subdivision 6, is amended to read:

Subd. 6. **Driver education curriculum; vulnerable road users.** The class D curriculum, in addition to driver education classroom curriculum prescribed in rules of statutes for class D motor vehicles, must include instruction on commissioner must adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools to require inclusion of a section on vulnerable road users in the course of instruction. The instruction must include information on:

- (1) the rights and responsibilities of vulnerable road users, as defined in section 169.011, subdivision 92b;
- (2) the specific duties of a driver when encountering a bicycle, other nonmotorized vehicles, or a pedestrian;
- (3) safety risks for vulnerable road users and motorcyclists or other operators of two- or three-wheeled vehicles; and
- (4) best practices to minimize dangers and avoid collisions with vulnerable road users and motorcyclists or other operators of two- or three-wheeled vehicles.

Sec. 55. Minnesota Statutes 2022, section 169.222, subdivision 2, is amended to read:

Subd. 2. **Manner and number riding.** No bicycle, including a tandem bicycle, cargo or utility bicycle, or trailer, shall be used to carry more persons at one time than the number for which it is designed and equipped, except an adult rider may carry a child in a seat designed for carrying children that is securely attached to the bicycle. (a) For purposes of this subdivision, "bicycle" includes a tandem bicycle, electric-assisted bicycle, cargo or utility bicycle, or trailer.

(b) No person may operate a bicycle while carrying more than the number of riders for which the bicycle is designed or equipped.

(c) Notwithstanding paragraph (b), an adult bicycle operator may carry a child in a trailer or seat designed for carrying children that is securely attached to a bicycle.

Sec. 56. Minnesota Statutes 2022, section 169.222, subdivision 6a, is amended to read:

Subd. 6a. **Electric-assisted bicycle; riding rules.** (a) A person may operate an electric-assisted bicycle in the same manner as provided for operation of other bicycles, including but not limited to operation on the shoulder of a roadway, a bicycle lane, and a bicycle route, and operation without the motor engaged on a bikeway or bicycle trail.

(b) A person may operate a class 1 or class 2 electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared use path unless prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

(c) A person may operate a class 3 electric-assisted bicycle or multiple mode electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared use path unless the local authority or state agency having jurisdiction over the bicycle path or trail prohibits the operation.

(d) The local authority or state agency having jurisdiction over a trail or over a bike park that is designated as nonmotorized and that has a natural surface tread made by clearing and grading the native soil with no added surfacing materials may regulate the operation of an electric-assisted bicycle.

(e) ~~No~~ A person under the age of 15 ~~shall~~ must not operate an electric-assisted bicycle.

Sec. 57. Minnesota Statutes 2022, section 169.222, subdivision 6b, is amended to read:

Subd. 6b. **Electric-assisted bicycle; equipment.** (a) The manufacturer or distributor of an electric-assisted bicycle must apply a label to the bicycle that is permanently affixed in a prominent location. The label must contain the ~~classification~~ class number, top assisted speed, and motor wattage of the electric-assisted bicycle, and must be printed in a legible font with at least 9-point type. A multiple mode electric-assisted bicycle must have labeling that identifies the highest class or each of the electric-assisted bicycle classes in which it is capable of operating.

(b) A person must not modify an electric-assisted bicycle to change the motor-powered speed capability or motor engagement so that the bicycle no longer meets the requirements for the applicable class, unless:

(1) the person replaces the label required in paragraph (a) with revised information; or

(2) for a vehicle that no longer meets the requirements for any electric-assisted bicycle class, the person removes the labeling as an electric-assisted bicycle.

(c) An electric-assisted bicycle must operate in a manner so that the electric motor is disengaged or ceases to function ~~when the rider stops pedaling or: (1) when the brakes are applied; or (2) except for a class 2 electric-assisted bicycle or a multiple mode electric-assisted bicycle operating in class 2 mode, when the rider stops pedaling.~~

(d) A class 3 electric-assisted bicycle or multiple mode electric-assisted bicycle must be equipped with a speedometer that displays the speed at which the bicycle is traveling in miles per hour.

(e) A multiple mode electric-assisted bicycle equipped with a throttle must not be capable of exceeding 20 miles per hour on motorized propulsion alone in any mode when the throttle is engaged.

Sec. 58. Minnesota Statutes 2023 Supplement, section 169.223, subdivision 4, is amended to read:

Subd. 4. **Headlight requirement.** The provisions of section 169.974, subdivision 5, paragraph ~~(j)~~ (k), apply to motorized bicycles that are equipped with headlights. A new motorized bicycle sold or offered for sale in Minnesota must be equipped with a headlight.

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

Sec. 59. Minnesota Statutes 2022, section 169.346, subdivision 2, is amended to read:

Subd. 2. **Disability parking space signs.** (a) Parking spaces reserved for physically disabled persons must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue and indicating that violators are subject to a fine of up to \$200. These parking spaces are reserved for disabled persons with motor vehicles displaying the required certificate, plates, permit valid for 30 days, or insignia.

(b) For purposes of this subdivision, a parking space that is clearly identified as reserved for physically disabled persons by a permanently posted sign that does not meet all design standards, is considered designated and reserved for physically disabled persons. A sign posted for the purpose of this section must be visible from inside a motor vehicle parked in the space, be kept clear of snow or other obstructions which block its visibility, and be nonmovable.

(c) By August 1, 2024, the Minnesota Council on Disability must select and propose a statewide uniform disability parking space sign that is consistent with the Americans with Disabilities Act. The selected and proposed sign must not display any variation of the word "handicapped." As part of selecting and proposing a statewide uniform disability parking space sign, the Minnesota Council on Disability may encourage owners or managers of property to replace existing disability parking space signs at the owner's earliest opportunity once the sign is made available for distribution.

(d) Beginning on August 1, 2025, an applicable owner or manager of property on which a disability parking sign may be located must install and display the new uniform disability parking sign required in paragraph (c) at:

(1) newly created on-site parking facilities; and

(2) existing on-site parking facilities when the manager or owner replaces existing disability parking space signs.

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

Sec. 60. **[169.515] LIGHTS ON GRANT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "high poverty area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census that has a poverty area rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of the statewide or metropolitan median family income.

Subd. 2. **Grant program established.** The Lights On grant program is established under this section to provide drivers on Minnesota roads with vouchers of up to \$250 to use at participating auto repair shops to repair or replace broken or malfunctioning lighting equipment required under sections 169.49 to 169.51.

Subd. 3. **Eligibility.** Counties, cities, towns, the State Patrol, and local law enforcement agencies, including law enforcement agencies of a federally recognized Tribe, as defined in United States Code, title 25, section 5304(e), are eligible to apply for grants under this section.

Subd. 4. **Application.** (a) The commissioner of public safety must develop application materials and procedures for the Lights On grant program.

(b) The application must describe the type or types of intended vouchers, the amount of money requested, and any other information deemed necessary by the commissioner.

(c) Applicants must submit an application under this section in the form and manner prescribed by the commissioner.

(d) Applicants must describe how grant money will be used to provide and distribute vouchers to drivers.

Subd. 5. **Use of grant award.** (a) Applicants must keep records of vouchers distributed and records of all expenses associated with awarded grant money.

(b) Applicants must not use awarded grant money for administrative costs. A nonstate organization that contracts with the commissioner to operate the program must not retain any of the grant money for administrative costs.

Subd. 6. **Vouchers.** (a) An applicant must not distribute more than one voucher per motor vehicle in a 90-day period.

(b) A voucher that is distributed to a driver must contain the following information:

(1) the motor vehicle license plate number;

(2) the date of issuance; and

(3) the badge number of the peace officer distributing the voucher.

Subd. 7. **Grant criteria.** Preference for grant awards must be given to applicants whose proposals provide resources and vouchers to individuals residing in geographic areas that (1) have higher crash rates or higher numbers of tickets issued for broken or malfunctioning lighting equipment, or (2) are high poverty areas.

Subd. 8. **Reporting.** (a) By February 1 each year, grant recipients must submit a report to the commissioner itemizing all expenditures made using grant money during the previous calendar year, the purpose of each expenditure, and the disposition of each contact made with drivers with malfunctioning or broken lighting equipment. The report must be in the form and manner prescribed by the commissioner.

(b) By March 15 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must list, for the previous calendar year:

(1) the participating grant recipients and the total number and dollar amount of vouchers that each grant recipient distributed; and

(2) the participating auto repair shops and the total number and dollar amount of vouchers that each received.

Grant recipients and any program organization contracted by the commissioner must provide information as requested by the commissioner to complete the report required under this paragraph.

Sec. 61. Minnesota Statutes 2022, section 169.974, subdivision 5, is amended to read:

**Subd. 5. Driving rules.** (a) An operator of a motorcycle must ride only upon a permanent and regular seat which is attached to the vehicle for that purpose. No other person ~~shall~~ may ride on a motorcycle, except that passengers may ride (1) upon a permanent and regular operator's seat if designed for two persons, (2) upon additional seats attached to or in the vehicle, or (3) in a sidecar attached to the vehicle. The operator of a motorcycle is prohibited from carrying passengers in a number in excess of the designed capacity of the motorcycle or sidecar attached to it. A passenger is prohibited from being carried in a position that interferes with the safe operation of the motorcycle or the view of the operator.

(b) No person ~~shall~~ may ride upon a motorcycle as a passenger unless the person can reach the footrests or floorboards with both feet.

(c) Except for passengers of sidecars, drivers and passengers of three-wheeled motorcycles, and persons in an autocycle, no person ~~shall~~ may operate or ride upon a motorcycle except while sitting astride the seat, facing forward, with one leg on either side of the motorcycle.

(d) No person ~~shall~~ may operate a motorcycle while carrying animals, packages, bundles, or other cargo ~~which~~ that prevent the person from keeping both hands on the handlebars.

~~(e) No person shall operate a motorcycle between lanes of moving or stationary vehicles headed in the same direction, nor shall any person drive a motorcycle abreast of or overtake or pass another vehicle within the same traffic lane. Motorcycles may, with the consent of both drivers, be operated not more than two abreast in a single traffic lane if the vehicles fit safely within the designated space of the lane.~~

(f) Except under the conditions specified in paragraph (g), no person may operate a motorcycle:

(1) between lanes of moving or stationary vehicles headed in the same direction of travel;

(2) abreast of moving or stationary vehicles within the same traffic lane; or

(3) to overtake or pass another vehicle within the same traffic lane.

(g) A person may operate a motorcycle and overtake and pass another vehicle in the same direction of travel and within the same traffic lane if the motorcycle is operated:

(1) at not more than 25 miles per hour; and

(2) no more than 15 miles per hour over the speed of traffic in the relevant traffic lanes.

(h) Motor vehicles including motorcycles are entitled to the full use of a traffic lane and no motor vehicle may be driven or operated in a manner so as to deprive a motorcycle of the full use of a traffic lane.

~~(g)~~ (i) A person operating a motorcycle upon a roadway must be granted the rights and is subject to the duties applicable to a motor vehicle as provided by law, except as to those provisions which by their nature can have no application.

~~(h) Paragraph (e)~~ (j) Paragraphs (e) and (f) of this subdivision does do not apply to police officers in the performance of their official duties.

~~(i)~~ (k) No person shall may operate a motorcycle on a street or highway unless the headlight or headlights are lighted at all times the motorcycle is so operated.

~~(j)~~ (l) A person parking a motorcycle on the roadway of a street or highway must:

(1) if parking in a marked parking space, park the motorcycle completely within the marked space; and

(2) park the motorcycle in such a way that the front of the motorcycle is pointed or angled toward the nearest lane of traffic to the extent practicable and necessary to allow the operator to (i) view any traffic in both directions of the street or highway without having to move the motorcycle into a lane of traffic and without losing balance or control of the motorcycle, and (ii) ride the motorcycle forward and directly into a lane of traffic when the lane is sufficiently clear of traffic.

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

Sec. 62. Minnesota Statutes 2022, section 169.99, subdivision 1, is amended to read:

Subdivision 1. **Form.** (a) Except as provided in subdivision 3; section 169.147, subdivision 8; and section 169.999, subdivision 3, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in the form and have the effect of a summons and complaint. Except as provided in paragraph (b), the uniform ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four parts, on paper sensitized so that copies may be made without the use of carbon paper, as follows:

(1) the complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on white paper;

(2) the abstract of court record for the Department of Public Safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) the police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper; and

(4) the summons, with, on the reverse side, such information as the court may wish to give concerning the Traffic Violations Bureau, and a plea of guilty and waiver, printed on off-white tag stock.

(b) If the offense is a petty misdemeanor, the uniform ticket must state that a failure to appear will be considered a plea of guilty and waiver of the right to trial, unless the failure to appear is due to circumstances beyond the person's control.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and expires August 1, 2029.

Sec. 63. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 45c. **Residence address and permanent mailing address.** "Residence address" and "permanent mailing address" mean, for purposes of a driver's license or Minnesota identification card, the postal address of the permanent domicile within this state where an individual:

(1) resides;

(2) intends to reside within 30 calendar days after the date of application; or

(3) intends to return whenever absent.

**EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or after that date.



Sec. 64. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 48e. **Temporary mailing address.** "Temporary mailing address" means the mailing address of any place where a person regularly or occasionally stays and may receive mail in their name other than the person's residence address. A temporary mailing address does not include the designated address under section 5B.05.

**EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or after that date.

Sec. 65. Minnesota Statutes 2023 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7;

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c;

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b;

(v) indicate the applicant's race and ethnicity; ~~and~~

(vi) indicate caretaker information as provided under section 171.12, subdivision 5c; and

(vii) indicate a temporary mailing address separate from the applicant's residence address listed on the identification card or license; and

(6) meet the requirements under section 201.161, subdivision 3.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.

(e) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

(f) If an applicant designates a temporary mailing address under paragraph (a), clause (5), item (vii), the commissioner must use the temporary mailing address in lieu of the applicant's residence address for delivery of the driver's license or identification card. The commissioner must send all other correspondence to the applicant's residence address. Nothing in this paragraph or paragraph (a), clause (5), item (vii), may be construed to modify or remove proof of residency requirements at the time of application for an initial driver's permit, driver's license, or identification card.

**EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or after that date.

Sec. 66. Minnesota Statutes 2022, section 171.06, subdivision 3b, is amended to read:

Subd. 3b. **Information for applicants.** (a) The commissioner must develop summary information on identity document options. The summary information must be available on the department's website and at every location where a person may apply for an enhanced, REAL ID compliant, or noncompliant driver's license or identification card.

(b) The summary information must, at a minimum, include:

(1) each available type of driver's license and Minnesota identification card, including a noncompliant license or identification card, an enhanced driver's license, and an enhanced identification card;

(2) the official purposes of and limitations on use for each type of driver's license and Minnesota identification card; and

(3) an overview of data shared outside the state, including through electronic validation or verification systems, as part of the application and issuance of each type.

(c) The commissioner must ensure that the summary information is available to driver's license and identification card applicants. Renewal notifications mailed to driver's license and identification card holders must include the website address that displays the summary information.

(d) An applicant for an enhanced or noncompliant license or identification card must sign an acknowledgment that the applicant understands the limitations on use of the license or card.

(e) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application must contain statements sufficient to comply with the requirements of the Darlene Luther Revised Uniform Anatomical Gift Act, chapter 525A, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application must be accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the legal implications of making an anatomical gift, including the law governing revocation of anatomical gifts. The commissioner shall distribute a notice that must accompany all applications for and renewals of a driver's license or Minnesota identification card. The notice must be prepared in conjunction with a Minnesota organ procurement organization that is certified by the federal Department of Health and Human Services and must include:

(1) a statement that provides a fair and reasonable description of the organ donation process, the care of the donor body after death, and the importance of informing family members of the donation decision; and

(2) a telephone number in a certified Minnesota organ procurement organization that may be called with respect to questions regarding anatomical gifts.

(f) The application must be accompanied also by information containing relevant facts relating to:

(1) the effect of alcohol on driving ability;

(2) the effect of mixing alcohol with drugs;

(3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

(4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

(g) The commissioner must provide information on the department's website about the option for an applicant to designate a temporary mailing address. The information on the department's website must:

(1) be easily accessible and address frequently asked questions;

(2) detail the department's requirements for the use of a temporary mailing address;

(3) compare the use of a temporary mailing address to the use of an applicant's residence address; and

(4) clarify that a driver's license or identification card will not be delivered to a forwarded mail address.

**EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or after that date.

Sec. 67. Minnesota Statutes 2022, section 171.061, is amended by adding a subdivision to read:

Subd. 5a. **Competitive bidding.** (a) Notwithstanding any statute or rule to the contrary, if a driver's license agent appointed under this section permanently stops offering services at the approved office location and permanently closes the approved office location, the commissioner must use a competitive bidding process for the appointment of a replacement driver's license agent. If available, the replacement driver's license agent appointed by the commissioner under this section must continue to offer services at the approved office location. If the existing office location is not available to the replacement driver's license agent, the replacement office location must be at a location that must be approved by the commissioner and must serve a similar service area as the existing office location.

(b) The commissioner must not give a preference to a partner, owner, manager, or employee of the driver's license agent that has permanently stopped offering services at the closed office location in a competitive bidding process.

(c) The commissioner must adopt rules to administer and enforce a competitive bidding process to select a replacement driver's license agent. If the replacement driver's license agent elects to not offer services at the office location of the prior agent, Minnesota Rules, chapter 7404, governing the selection of a proposed office location of a driver's license agent, applies.

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

Sec. 68. Minnesota Statutes 2023 Supplement, section 171.0705, subdivision 2, is amended to read:

Subd. 2. **Driver's manual; ~~bicycle-traffic~~ vulnerable road users.** The commissioner ~~shall~~ must include in each edition of the driver's manual published by the department a section relating to vulnerable road users and motorcyclists or operators of two- or three-wheeled vehicles that, at a minimum, includes:

(1) bicycle traffic laws, including any changes in the law which affect bicycle traffic;

(2) traffic laws related to pedestrians and pedestrian safety; and

(3) traffic laws related to motorcycles, autocycles, motorized bicycles, motorized foot scooters, and electric personal assistive mobility devices.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to each edition of the manual published on or after that date.

Sec. 69. Minnesota Statutes 2022, section 171.12, is amended by adding a subdivision to read:

Subd. 6a. **Driving record; traffic safety camera system.** (a) Except as provided in paragraph (b), the commissioner must not record on an individual's driving record any violation of:

(1) a traffic-control signal under section 169.06, subdivision 10; or

(2) a speed limit under section 169.14, subdivision 13.

(b) This subdivision does not apply to:

(1) a violation that occurs in a commercial motor vehicle; or

(2) a violation committed by a holder of a class A, B, or C commercial driver's license or commercial driver learner's permit, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle.

(c) This subdivision applies to violations committed on or after August 1, 2025, and before August 1, 2029.

Sec. 70. Minnesota Statutes 2022, section 171.13, subdivision 9, is amended to read:

Subd. 9. **Online driver's license knowledge testing authorization.** (a) The commissioner must implement online knowledge testing as provided in this subdivision. The commissioner must not charge a fee to a driver education program or an authorized entity for access to the online knowledge testing system or for administering the online knowledge test. ~~The commissioner must administer the fourth or subsequent knowledge test for a person.~~

(b) Upon written request from a driver education program licensed by the department, the commissioner must grant access to the department's web-based knowledge testing system to the driver education program. Once granted access to the online knowledge testing system, a driver education program may administer the online knowledge test to a student of the program.

(c) An entity other than a driver education program may apply to the commissioner for authority to administer online knowledge tests. The commissioner may approve or disapprove an application for administering the online knowledge tests under this paragraph. Upon approving an application of an entity, the commissioner must grant access to the department's web-based knowledge testing system to that authorized entity. Once granted access to the online knowledge testing system, the authorized entity may administer the online knowledge test.

(d) A driver education program or authorized entity:

- (1) must provide all computers and equipment for persons that take the online knowledge test;
- (2) must provide appropriate proctors to monitor persons taking the online knowledge test; and
- (3) may charge a fee of no more than \$10 for administering the online knowledge test.

(e) For purposes of paragraph (d), clause (2), a proctor must be:

- (1) an employee of the driver education program, authorized entity, or a state or local government;
- (2) a driver's license agent; or
- (3) a classroom teacher, school administrator, or paraprofessional at a public or private school, excluding a home school.

The proctor must be physically present at the location where the test is being administered. A proctor must not be a relative of the person taking the test. For purposes of this paragraph, a relative is a spouse, fiancée, fiancé, grandparent, parent, child, sibling, or legal guardian, including adoptive, half, step, and in-law relationships.

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

Sec. 71. Minnesota Statutes 2022, section 171.16, subdivision 3, is amended to read:

Subd. 3. **Failure to pay fine.** The commissioner is prohibited from suspending a person's driver's license based solely on the fact that a person:

(1) has been convicted of:

(i) violating a law of this state or an ordinance of a political subdivision which regulates the operation or parking of motor vehicles;

(ii) a violation under section 169.06, subdivision 10; or

(iii) a violation under section 169.14, subdivision 13;

(2) has been sentenced to the payment of a fine or had a surcharge levied against that person, or sentenced to a fine upon which a surcharge was levied; and

(3) has refused or failed to comply with that sentence or to pay the surcharge.

Sec. 72. Minnesota Statutes 2023 Supplement, section 171.301, subdivision 3, is amended to read:

Subd. 3. **Fees prohibited.** (a) For a reintegration driver's license under this section:

(1) the commissioner must not impose:

(i) a fee, surcharge, or filing fee under section 171.06, subdivision 2; ~~or~~

(ii) a reinstatement fee under sections 171.20, subdivision 4, and 171.29, subdivision 2; or

(iii) an endorsement fee under section 171.06, subdivision 2a; and

(2) a driver's license agent must not impose a filing fee under section 171.061, subdivision 4.

(b) Issuance of a reintegration driver's license does not forgive or otherwise discharge any unpaid fees or fines.

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

Sec. 73. Minnesota Statutes 2023 Supplement, section 171.301, subdivision 6, is amended to read:

Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license to a person who possesses a reintegration driver's license if:

(1) the person has possessed the reintegration driver's license for at least one full year;

(2) the reintegration driver's license has not been canceled under subdivision 4 and has not expired under subdivision 5;

(3) the person meets the application requirements under section 171.06, including payment of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and 2a, and 171.061, subdivision 4; and

(4) issuance of the license does not conflict with the requirements of the nonresident violator compact.

(b) The commissioner must forgive any outstanding balance due on a reinstatement fee or surcharge under ~~section~~ sections 171.20, subdivision 4, and 171.29, subdivision 2, for a person who is eligible and applies for a license under paragraph (a).

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

Sec. 74. Minnesota Statutes 2022, section 174.02, is amended by adding a subdivision to read:

**Subd. 11. Tribal worksite training program.** The commissioner must establish a Tribal worksite training program for state-funded construction projects. The commissioner may enter into an agreement with any private, public, or Tribal entity for the planning, designing, developing, and hosting of the program. The commissioner must not use trunk highway funds for the worksite training program if the state-funded construction project is not a highway construction project.

Sec. 75. Minnesota Statutes 2022, section 174.185, subdivision 2, is amended to read:

**Subd. 2. Required analysis.** For each project in the reconditioning, resurfacing, and road repair funding categories, the commissioner ~~shall~~ must perform a life-cycle cost analysis and ~~shall~~ document the lowest life-cycle costs and all alternatives considered. The commissioner ~~shall~~ must document the chosen pavement strategy and, if the lowest life cycle is not selected, document the justification for the chosen strategy. ~~A life-cycle cost analysis is required for projects to be constructed after July 1, 2011.~~

Sec. 76. Minnesota Statutes 2022, section 174.185, is amended by adding a subdivision to read:

**Subd. 2a. Review and collaboration.** (a) Before finalizing a pavement selection, the commissioner must post a draft of the life-cycle cost analysis and the draft pavement selection on the department's Office of Materials and Road Research website for 21 days. During this period, the commissioner must allow industry association representatives to submit questions and comments. The commissioner must collaborate with the person who submitted the question or comment, where necessary, to ensure the commissioner fully understands the question or comment. The commissioner must respond to each question or comment in writing, which must include a description of any associated changes that will be made to the life-cycle cost analysis.

(b) After the review period under paragraph (a) closes, the commissioner may make revisions, when deemed appropriate, to the life-cycle cost analysis in response to questions or comments received. If the commissioner revises the type of pavement from concrete to asphalt or from asphalt to concrete, the commissioner must post the revised life-cycle cost analysis for review in accordance with the requirements under paragraph (a).

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

Sec. 77. Minnesota Statutes 2022, section 174.185, is amended by adding a subdivision to read:

**Subd. 2b. Selection.** (a) After the review period required in subdivision 2a and any subsequent changes to the analysis, the commissioner must select the pavement strategy and prepare a document of justification. At a minimum, the document of justification must:

(1) explain why the pavement strategy was selected;

(2) if the lowest life-cycle cost is not selected, justify why a strategy with a higher life-cycle cost was selected; and

(3) include all questions and comments received during the review period and the commissioner's responses to each.

(b) The commissioner must submit the analysis and document of justification to a licensed professional engineer for review. A life-cycle cost analysis is not considered final until it is certified and signed by a licensed professional engineer as provided by Minnesota Rules, part 1800.4200.

(c) For all projects that began construction on or after January 1, 2024, the commissioner must store all life-cycle cost analyses and documents of justification on the department's website in a manner that allows the public to easily access the documents.

(d) After completing the certification and signature requirements in paragraph (b) and the posting requirements in paragraph (c), the commissioner may advance the project to substantial plan development.

(e) For purposes of this subdivision, "substantial plan development" means the point in time during the plan development process after which any further activities would preclude any of the feasible pavement alternatives from being selected or constructed.

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

Sec. 78. Minnesota Statutes 2022, section 174.185, subdivision 3, is amended to read:

Subd. 3. **Report.** By January 31 of each year, the commissioner ~~shall~~ must report annually to the chairs and ranking minority members of the ~~senate and house of representatives~~ legislative committees with jurisdiction over transportation policy and finance on life-cycle cost analyses conducted under this section. At a minimum, the report must include information on the results of the analyses required in under subdivision 2, the public review under subdivision 2a, and the final selection and document of justification under subdivision 2b.

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

Sec. 79. Minnesota Statutes 2022, section 174.40, subdivision 3, is amended to read:

Subd. 3. **Safe routes to school accounts.** (a) A safe routes to school account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance as provided under this section. All uses of funds from the account must be for publicly owned property.

(b) A safe routes to school account is established in the ~~general~~ special revenue fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.

Sec. 80. Minnesota Statutes 2023 Supplement, section 174.49, subdivision 6, is amended to read:

Subd. 6. **Metropolitan counties; use of funds.** (a) A metropolitan county must use funds that are received under subdivision 5 as follows:

(1) 41.5 percent for active transportation and transportation corridor safety studies;

(2) 41.5 percent for:

(i) repair, preservation, and rehabilitation of transportation systems; and



(ii) roadway replacement to reconstruct, reclaim, or modernize a corridor without adding traffic capacity, except for auxiliary lanes with a length of less than 2,500 feet; and

(3) 17 percent for any of the following:

(i) transit purposes, including but not limited to operations, maintenance, capital maintenance, demand response service, and assistance to replacement service providers under section 473.388;

(ii) complete streets projects, as provided under section 174.75; and

(iii) projects, programs, or operations activities that meet the requirements of a mitigation action under section 161.178, subdivision 4.

(b) Funds under paragraph (a), clause (3), must supplement and not supplant existing sources of revenue.

(c) A metropolitan county may use funds that are received under subdivision 5 as debt service for obligations issued by the county in accordance with chapter 475, provided that the obligations are issued for a use allowable under this section.

Sec. 81. Minnesota Statutes 2023 Supplement, section 174.634, subdivision 2, is amended to read:

Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account is established in the special revenue fund. The account consists of funds as provided in this subdivision and any other money donated, allotted, transferred, collected, or otherwise provided to the account.

(b) By July 15 annually beginning in calendar year 2027, the commissioner of revenue must transfer an amount from the general fund to the passenger rail account that equals 50 percent of the portion of the state general tax under section 275.025 levied on railroad operating property, as defined under section 273.13, subdivision 24, in the prior calendar year.

(c) Money in the account is annually appropriated to the commissioner of transportation for the ~~net~~ operating and capital maintenance costs of intercity passenger rail, which may include but are not limited to planning, designing, developing, constructing, equipping, administering, operating, promoting, maintaining, and improving passenger rail service within the state, after accounting for operating revenue, federal funds, and other sources.

(d) By November 1 each year, the commissioner must report on the passenger rail account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must, at a minimum, include:

(1) the actual revenue and expenditures in each of the previous two fiscal years;

(2) the budgeted and forecasted revenue and expenditures in the current fiscal year and each fiscal year within the state forecast period;

(3) the plan for collection of fees and revenue, as defined and authorized under subdivision 3, in the current fiscal year and each fiscal year within the state forecast period; and

(4) the uses of expenditures or planned expenditures in each fiscal year included under clauses (1) and (2).

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

Sec. 82. Minnesota Statutes 2023 Supplement, section 174.634, is amended by adding a subdivision to read:

**Subd. 3. Fee and revenue collection authorized.** (a) For purposes of this subdivision, "fees and revenue" means:

(1) ridership fees or fares, including ticket sales;

(2) revenue from the sale of on-board commissary and convenience goods to the traveling public; and

(3) revenue from the sale of promotional goods related to passenger rail routes and corridors within Minnesota.

(b) The commissioner may, directly or through a contractor, vendor, operator, or partnership with a federal or state government entity, including Amtrak, collect fees and revenue related to passenger rail services within the state, as specified under this subdivision.

(c) Fees and revenue under this subdivision may be collected as determined by the commissioner and are not subject to section 16A.1283, except that, if priced exclusively by the commissioner, a ridership fee or fare must not exceed an annual five percent increase and the price of a commissary, convenience, or promotional good must not exceed an annual ten percent increase.

(d) Fees and revenue collected under this subdivision must be deposited in the passenger rail account in the special revenue fund.

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

Sec. 83. Minnesota Statutes 2022, section 174.75, subdivision 1, is amended to read:

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

(b) "Complete streets" is the planning, scoping, design, implementation, operation, and maintenance of roads in order to reasonably address the safety and accessibility needs of users of all ages and abilities. Complete streets considers the needs of motorists, pedestrians, transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along and across roads, intersections, and crossings in a manner that is sensitive to the local context and recognizes that the needs vary in urban, suburban, and rural settings.

(c) "Vulnerable road user" has the meaning given in section 169.011, subdivision 92b.

Sec. 84. Minnesota Statutes 2022, section 174.75, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner ~~shall~~ must implement a complete streets policy after consultation with stakeholders, state and regional agencies, local governments, and road authorities. The commissioner, after such consultation, ~~shall~~ must address relevant protocols, guidance, standards, requirements, and training, ~~and shall integrate.~~

(b) The complete streets policy must include but is not limited to:

(1) integration of related principles of context-sensitive solutions;

(2) integration throughout the project development process;

(3) methods to evaluate inclusion of active transportation facilities in a project, which may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility, and bikeways; and

(4) consideration of consultation with other road authorities regarding existing and planned active transportation network connections.

Sec. 85. Minnesota Statutes 2022, section 174.75, is amended by adding a subdivision to read:

Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that accompanies the complete streets policy under this section. The guidance must include sections on:

(1) an analysis framework that provides for:

(i) identification of characteristics of a project;

(ii) highway system categorization based on context, including population density, land use, density and scale of surrounding development, volume of highway use, and the nature and extent of active transportation; and

(iii) relative emphasis for different road system users in each of the categories under item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists or other operators of two- or three-wheeled vehicles, and public transit users; and

(2) an analysis of speed limit reductions and associated roadway design modifications to support safety and mobility in active transportation.

Sec. 86. Minnesota Statutes 2022, section 216E.02, subdivision 1, is amended to read:

Subdivision 1. **Policy.** The legislature hereby declares it to be the policy of the state to locate large electric power facilities and high voltage transmission lines in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy, the commission shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

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

Sec. 87. Minnesota Statutes 2023 Supplement, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner must annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers; and (3) operating in this state.

(b) The assessment must be calculated to allocate state rail safety inspection program costs proportionally among carriers based on route miles operated in Minnesota at the time of assessment. The commissioner must include in the assessment calculation all state rail safety inspection program costs to support up to six rail safety inspector positions, including but not limited to salary, administration, supervision, travel, equipment, training, and ongoing state rail inspector duties.

(c) The assessments collected under this subdivision must be deposited in a state rail safety inspection account, which is established in the special revenue fund. The account consists of funds provided by this subdivision and section 221.0255 and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is appropriated to the commissioner to administer the state rail safety inspection program and for costs under section 221.0255.

Sec. 88. **[219.756] YARDMASTER HOURS OF SERVICE.**

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

(b) "Railroad" means a common carrier that is classified by federal law or regulation as a Class I railroad, Class II railroad, or Class III railroad.

(c) "Yardmaster" means an employee of a common carrier who is responsible for supervising and coordinating the control of trains and engines operating within a railyard, not including a dispatching service employee, signal employee, or train employee as those terms are defined in United States Code, title 49, section 21101.

**Subd. 2. Hours of service.** (a) A railroad operating in this state must not require or allow a yardmaster to remain or go on duty:

(1) in any month when the employee has spent a total of 276 hours on duty or in any other mandatory service for the carrier;

(2) for a period exceeding 12 consecutive hours; and

(3) unless the employee has had at least ten consecutive hours off duty during the prior 24 hours.

(b) A railroad operating in this state must not require or allow a yardmaster to remain or go on duty after the employee has initiated an on-duty period each day for six consecutive days unless the employee has had 48 consecutive hours off at the employee's home terminal, during which time the employee is unavailable for any service.

Sec. 89. Minnesota Statutes 2022, section 221.0255, subdivision 4, is amended to read:

**Subd. 4. Motor carrier of railroad employees; requirements.** (a) The motor carrier of railroad employees must implement a policy that provides for annual training and certification of the operator in:

(1) safe operation of the vehicle transporting railroad employees;

(2) knowing and understanding relevant laws, rules of the road, and safety policies;

(3) handling emergency situations;

(4) proper use of seat belts;

(5) performance of pretrip and posttrip vehicle inspections, and inspection record keeping; and

(6) proper maintenance of required records.

(b) The motor carrier of railroad employees must:

(1) confirm that the person is not disqualified under subdivision 6, by performing a criminal background check of the operator, which must include:

(i) a criminal history check of the state criminal records repository; and

(ii) if the operator has resided in Minnesota less than five years, a criminal history check from each state of residence for the previous five years;

- (2) annually verify the operator's driver's license;
- (3) document meeting the requirements in this subdivision, which must include maintaining at the carrier's business location:
  - (i) a driver qualification file on each operator who transports passengers under this section; and
  - (ii) records of pretrip and posttrip vehicle inspections as required under subdivision 3, paragraph (a), clause (3);
- (4) maintain liability insurance in a minimum amount of \$5,000,000 regardless of the seating capacity of the vehicle;
- (5) maintain uninsured and underinsured coverage in a minimum amount of ~~\$1,000,000~~ \$2,000,000; and
- (6) ensure inspection of each vehicle operated under this section as provided under section 169.781.
- (c) A driver qualification file under paragraph (b), clause (3), must include:
  - (1) a copy of the operator's most recent medical examiner's certificate;
  - (2) a copy of the operator's current driver's license;
  - (3) documentation of annual license verification;
  - (4) documentation of annual training;
  - (5) documentation of any known violations of motor vehicle or traffic laws; and
  - (6) responses from previous employers, if required by the current employer.
- (d) The driver qualification file must be retained for one year following the date of separation of employment of the driver from the carrier. A record of inspection under paragraph (b), clause (3), item (ii), must be retained for one year following the date of inspection.
- (e) If a party contracts with the motor carrier on behalf of the railroad to transport the railroad employees, then the insurance requirements may be satisfied by either that party or the motor carrier, so long as the motor carrier is a named insured or additional insured under any policy.

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

Sec. 90. Minnesota Statutes 2022, section 221.0255, subdivision 9, is amended to read:

Subd. 9. **Inspection and investigation authority.** (a) Upon receipt of a complaint form or other information alleging a violation of this section, the commissioner must investigate the relevant matter. Representatives of the Department of Transportation and the State Patrol have the authority to enter, at a reasonable time and place, any vehicle or facility of the carrier for purposes of complaint investigations, random inspections, safety reviews, audits, or accident investigations.

(b) Failure of a railroad or motor carrier of railroad employees to permit a complaint investigation under this subdivision is grounds for issuance of a civil penalty under subdivision 10.

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

Sec. 91. Minnesota Statutes 2022, section 221.0255, is amended by adding a subdivision to read:

Subd. 10. **Civil penalty.** (a) After completion of an investigation or as provided in subdivision 9, paragraph (b), the commissioner may issue a civil penalty to a railroad or motor carrier of railroad employees that violates this section. A civil penalty issued under this paragraph is in the amount of:

(1) not less than \$200 but not more than \$500 for a first offense;

(2) not less than \$500 but not more than \$1,000 for a second offense; and

(3) not less than \$1,000 but not more than \$5,000 for a third or subsequent offense committed within three years of the first offense.

(b) The civil penalty amounts identified under paragraph (a) are for all violations identified in a single investigation and are not per violation.

(c) The recipient of a civil penalty under this subdivision has 30 days to notify the commissioner in writing of intent to contest the civil penalty. If within 30 days after receiving the civil penalty the recipient fails to notify the commissioner of intent to contest the penalty, the civil penalty is not subject to further review.

(d) Civil penalties assessed under this subdivision are subject to chapter 14 and may be recovered in a civil action.

(e) Civil penalties collected under this section must be deposited in the state rail safety inspection account in the special revenue fund.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 92. Minnesota Statutes 2022, section 297A.815, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle lease sales tax revenue.** (a) On or before June 30 of each fiscal year, the commissioner of revenue must estimate the revenues, including interest and penalties and minus refunds, collected under this section for the current fiscal year.

(b) By July 15 of the subsequent fiscal year, the commissioner of management and budget must transfer the revenues estimated under paragraph (a) from the general fund as follows:

(1) 38 percent to the county state-aid highway fund;

(2) 38 percent to the greater Minnesota transit account;

(3) 13 percent to the ~~Minnesota state transportation fund~~ local bridge program account in the special revenue fund, which is hereby created; and

(4) 11 percent to the highway user tax distribution fund.

(c) Notwithstanding any other law to the contrary, the commissioner of transportation must allocate the funds transferred under paragraph (b), clause (1), to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county receives the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this paragraph.

(d) ~~The amount transferred~~ Money in the local bridge program account under paragraph (b), clause (3), ~~must be used~~ is appropriated to the commissioner of transportation for the local bridge program under section 174.50, subdivisions 6 to 7.

(e) The revenues under this subdivision do not include the revenues, including interest and penalties and minus refunds, 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. 93. Minnesota Statutes 2023 Supplement, section 297A.993, subdivision 2a, is amended to read:

Subd. 2a. **Uses reporting.** By February 15 of each even-numbered year, a metropolitan county, as defined in section 473.121, subdivision 4, that imposes the taxes under this section must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

- (1) actual transportation sales tax collections by the county over the previous five calendar years;
- (2) an estimation of the total sales tax revenue that is estimated to be collected by the county in the current year and for the next ten calendar years; and
- (3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:
  - (i) the amount of sales tax revenue expended or proposed to be expended for each of the following:
    - (A) planning, construction, operation, or maintenance of guideways, as defined in section 473.4485, subdivision 1, paragraph (d);
    - (B) nonguideway transit and active transportation uses;
    - (C) highway uses; and
    - (D) uses not otherwise specified in subitems (A) to (C); ~~and~~
  - (ii) completed, current, planned, and eligible projects for each category under item (i); and
  - (iii) an estimated balance of unspent or undesignated county sales tax revenue.

Sec. 94. Minnesota Statutes 2022, section 299E.01, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The division ~~shall be~~ is responsible and ~~shall~~ must utilize state employees for security and public information services in state-owned buildings and state leased-to-own buildings in the Capitol Area, as described in section 15B.02. It ~~shall~~ must provide personnel as are required by the circumstances to insure the orderly conduct of state business and the convenience of the public. Until July 1, 2026, it must provide emergency assistance and security escorts at any location within the Capitol Area, as described in section 15B.02, when requested by a state constitutional officer.

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

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

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

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

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

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

(1) Capitol complex tenants and state employees;

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

(3) the public and public advocacy groups.

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

Sec. 95. **[325F.661] SALE OF ELECTRIC-ASSISTED BICYCLES AND OTHER ELECTRIC CYCLES.**

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

(b) "Class 1 electric-assisted bicycle," "class 2 electric-assisted bicycle," and "class 3 electric-assisted bicycle" have the meanings given in section 169.011, subdivisions 15a, 15b, and 15c.

(c) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision 27.

(d) "Motorcycle" has the meaning given in section 169.011, subdivision 44.

(e) "Motorized bicycle" has the meaning given in section 169.011, subdivision 45.

(f) "Multiple mode electric-assisted bicycle" has the meaning given in section 169.011, subdivision 45a.

**Subd. 2. Electric-assisted bicycle.** Before a purchase is completed, a seller of an electric-assisted bicycle must disclose to a consumer in written form:

(1) the maximum motor power of the electric-assisted bicycle;

(2) the maximum speed of the electric-assisted bicycle, as evaluated using a test method matching the criteria specified in Code of Federal Regulations, title 16, section 1512.2(a)(2), or successor requirements; and

(3) whether the electric-assisted bicycle is a class 1, class 2, class 3, or multiple mode electric-assisted bicycle.

**Subd. 3. Other electric cycles.** (a) A seller of a motorized bicycle or motorcycle equipped with an electric motor for propulsion may not sell the vehicle or offer the vehicle for sale if it is labeled as a class 1, class 2, class 3, or multiple mode electric-assisted bicycle.

(b) Before a purchase is completed and in any advertising materials, a seller of a motorized bicycle or motorcycle equipped with an electric motor for propulsion who describes the vehicle as an "electric bicycle," "electric bike," "e-bike," or other similar term must disclose to a consumer:



(1) the name or classification of the vehicle under state law or the most likely classification following an intended or anticipated vehicle modification as defined in section 169.011, subdivision 27, paragraph (c); and

(2) the following statement:

"This vehicle is not an "electric-assisted bicycle" as defined in Minnesota law. It is instead a type of motor vehicle and subject to applicable motor vehicle laws if used on public roads or public lands. Your insurance policies might not provide coverage for crashes involving the use of this vehicle. To determine coverage, you should contact your insurance company or agent."

(c) Advertising materials under paragraph (b) include but are not limited to a website or social media post that identifies or promotes the vehicle.

(d) The disclosure under paragraph (b) must be (1) written, and (2) provided clearly and conspicuously and in a manner designed to attract the attention of a consumer.

Subd. 4. **Unlawful practices.** It is an unlawful practice under section 325F.69 to advertise, offer for sale, or sell a motorized bicycle or motorcycle equipped with an electric motor for propulsion:

(1) as an electric-assisted bicycle; or

(2) using the words "electric bicycle," "electric bike," "e-bike," or other similar term without providing the disclosure required under subdivision 3.

Sec. 96. Minnesota Statutes 2023 Supplement, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this subdivision, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of: (1) a law or ordinance relating to vehicle parking, for which there is a \$12 surcharge; and (2) section 609.855, subdivision 1, 3, or 3a, for which there is a \$25 surcharge. When a defendant is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) The court may reduce the amount or waive payment of the surcharge required under this subdivision on a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family. Additionally, the court may permit the defendant to perform community work service in lieu of a surcharge.

(c) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

(d) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

(e) A person who enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

(f) The surcharge does not apply to:

(1) citations issued pursuant to section 169.06, subdivision 10;

(2) citations issued pursuant to section 169.14, subdivision 13;

(3) administrative citations issued pursuant to section 169.999; or

~~(g) The surcharge does not apply to~~ (4) administrative citations issued by transit rider investment program personnel pursuant to section 473.4075.

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

Sec. 97. **[430.001] DEFINITIONS.**

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

Subd. 2. **City.** "City" means a home rule charter or statutory city.

Subd. 3. **City council.** "City council" means the governing body of a city.

Subd. 4. **Residence district.** "Residence district" means the territory contiguous to and including a highway not comprising a business district when the property on such highway for a distance of 300 feet or more is predominantly improved with (1) residences, or (2) residences and buildings in use for business.

Subd. 5. **System of streets, parks, and parkways.** "System of streets, parks, and parkways" means a body of contiguous land designated to be used in part for streets and in part for parks or parkways.

Sec. 98. Minnesota Statutes 2022, section 430.01, subdivision 2, is amended to read:

Subd. 2. **Parking lots; pedestrian malls and uses.** The council of a city ~~of the first class~~ may by resolution designate land to be acquired, improved, and operated for motor vehicle parking lots. By resolution, the council may designate lands to be acquired, improved, and operated for pedestrian malls. By ordinance adopted under section 430.011, the council may designate ~~streets in central business districts~~ any property within a city right-of-way to be improved primarily for pedestrian uses.

Sec. 99. Minnesota Statutes 2022, section 430.011, subdivision 1, is amended to read:

Subdivision 1. **Legislative findings.** The legislature finds that: (1) increases in population and automobile usage have created traffic congestion in ~~central business districts of cities of the first class~~ cities; (2) those conditions endanger pedestrians and impede the movement of police and fire equipment, ambulances, and other emergency vehicles; (3) certain streets in those central business districts cities have been improved to their maximum width for sidewalk and roadway purposes and cannot be further widened without taking valuable buildings and improvements, substantially impairing the primary function of those city streets as pedestrian facilities, and impairing the cities' sources of tax revenue; and (4) limitation on the use of those streets by private vehicles may be found by the council of any city of the first class to be in the interest of the city and state, to be of benefit to adjoining properties, and to be essential to the effective use of the streets for street purposes.

Sec. 100. Minnesota Statutes 2022, section 430.011, subdivision 2, is amended to read:

Subd. 2. **Statement of policy.** It is the state's policy to permit the city council of any city ~~of the first class~~ to protect the public welfare and the interests of the public in the safe and effective movement of persons and to preserve and enhance the function and appearance of ~~the central business districts of cities of the first class~~ cities by adopting pedestrian mall ordinances under this section.

Sec. 101. Minnesota Statutes 2022, section 430.011, subdivision 3, is amended to read:

Subd. 3. **Pedestrian mall ordinances authorized.** (a) A pedestrian mall ordinance may be adopted if the city council finds that:

(1) a street or a part of a street (i) is not a part of any state trunk highway, (ii) is located ~~primarily in a central business district~~ within a city right-of-way, and (iii) is improved to its maximum width for roadway and sidewalk purposes, and (iv) ~~is congested during all or a substantial part of normal business hours~~ except for a city of the first class, is not part of a residence district;

(2) the movement of police and fire equipment and other emergency vehicles would not be impeded;

~~(2)~~ (3) reasonably convenient alternate routes exist for private vehicles to other parts of the city and state;

~~(3)~~ (4) continued unlimited use of the street or part of the street by private vehicles may endanger pedestrians;

~~(4)~~ (5) abutting properties can reasonably and adequately receive and deliver merchandise and materials from other streets and alleys or through arrangements for limited use of the streets by carriers of merchandise and materials; and

~~(5)~~ (6) it would be in the best interests of the city and the public and of benefit to adjacent properties to use the street primarily for pedestrian purposes and pedestrian use is the highest and best use of the street or part of it.

(b) In addition to meeting the criteria under paragraph (a), a pedestrian mall ordinance may be adopted relating to property that is immediately adjacent to at least one side of an intersection with a road that is under the jurisdiction of another road authority only if the city has consulted with the other road authority, which must include consideration of changes to traffic flow. If the other road authority is opposed to the location of the proposed pedestrian mall, the city must make publicly available a detailed written response to the road authority before adopting the ordinance. A pedestrian mall ordinance may be adopted relating to property that borders another city only if the city developing the ordinance has received the approval of the bordering city.

(c) As relevant, the city must collaborate with the state and local units of government in the pedestrian mall planning process.

Sec. 102. Minnesota Statutes 2022, section 430.023, is amended to read:

#### **430.023 WHEN CLERK TO MAIL NOTICE IN CONDEMNATION PROCEEDING.**

If a city ~~of the first class~~ is authorized in its charter to condemn property for public use and to appoint commissioners to assess damages or benefits on condemned property and is required by its charter to give notice of the filing of the commissioners' report, the city clerk shall give the required notice. Notice must be given by mailing it to the person whose name appears on the records of the auditor of the county in which the city is located as the person who last paid the taxes on the property proposed to be taken, within 48 hours after the filing of the commissioners' report.

Sec. 103. Minnesota Statutes 2022, section 430.031, subdivision 1, is amended to read:

Subdivision 1. **Limitation of actions.** No action may be commenced or maintained, and no defense interposed, questioning the validity, regularity, or legality of all or part of a pedestrian mall ordinance, or an amendment, to it adopted by a city of ~~the first class~~ under section 430.011, subdivision 3 or 13 except by an appeal to the district court of the county in which the city is located within 20 days after the final adoption and publication of the ordinance or amendment.

Sec. 104. Minnesota Statutes 2022, section 430.13, is amended to read:

**430.13 SCOPE OF CHAPTER; DEFINITION; BONDED DEBT.**

~~This chapter applies to cities of the first class.~~

~~The term "city council" means the governing body of a city.~~

Certificates or bonds that may be issued to finance an improvement under this chapter are part of the bonded debt of the city. In calculating the net indebtedness of the city due to the issue of certificates or bonds, there may be deducted from the gross debt of the city the amount of certificates or bonds that are payable wholly or partly from collections of special assessments levied on property benefited by the improvements, including general obligations of the issuing city, if the city is entitled to reimbursement, in whole or in part, from the proceeds of special assessments levied upon property especially benefited by the improvements.

Sec. 105. Minnesota Statutes 2022, section 473.13, is amended by adding a subdivision to read:

Subd. 6. **Transportation financial review.** (a) Annually by January 15, the council must submit a financial review that details revenue and expenditures for the transportation components under the council's budget, as specified in paragraph (c). A financial review submitted under this paragraph must provide the information using state fiscal years.

(b) Annually by the earlier of the accounting close of a budget year or August 15, the council must submit a financial review update that provides the following for the most recent completed budget year: actual revenues; expenditures; transfers; reserves; balances; and a comparison between the budgeted and actual amounts. A financial review update under this paragraph must include the information specified in paragraph (d).

(c) At a minimum, a financial review must identify:

(1) the actual revenues, expenditures, transfers, reserves, and balances in each of the previous four years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in the current year and each year within the state forecast period;

(3) for the most recent completed year, a comparison between the budgeted and actual amounts under clause (1); and

(4) for the most recent completed year, fund balances for each replacement service provider under section 473.388.

(d) The information under paragraph (c), clauses (1) to (3), must include:

(1) a breakdown by each transportation funding source identified by the council, including but not limited to legislative appropriations; federal funds; fare collections; property tax; and sales tax, including sales tax used for active transportation under section 473.4465, subdivision 2, paragraph (a), clause (1);

(2) a breakdown by each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388; and

(3) data for operations, capital maintenance, and transit capital.

(e) A financial review under paragraph (a) or (b) must provide information or a methodology sufficient to establish a conversion between state fiscal years and budget years, summarize reserve policies, identify the methodology for cost allocation, and describe revenue assumptions and variables affecting the assumptions.

(f) The council must submit each financial review to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance and to the commissioner of management and budget.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 106. Minnesota Statutes 2022, section 473.3927, is amended to read:

**473.3927 ZERO-EMISSION AND ELECTRIC TRANSIT VEHICLES.**

Subdivision 1. **Transition plan required.** (a) The council must develop and maintain a zero-emission and electric transit vehicle transition plan.

(b) The council must ~~complete the initial~~ revise the plan by February 15, ~~2022~~ 2025, and revise the plan at least once every ~~five~~ three years following each prior revision.

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

(b) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

(c) "Qualified transit bus" means a motor vehicle that meets the requirements under paragraph (d), clauses (1) and (2).

(d) "Zero-emission transit bus" means a motor vehicle that:

(1) is designed for public transit service;

(2) has a capacity of more than 15 passengers, including the driver; and

(3) produces no exhaust-based greenhouse gas emissions from the onboard source of motive power of the vehicle under all operating conditions.

Subd. 2. **Plan development.** At a minimum, the plan must:

(1) establish ~~implementation~~ policies and guidance, and recommendations to implement the transition to a transit service fleet of exclusively zero-emission and electric transit vehicles, including for recipients of financial assistance under section 473.388;

(2) establish a bus procurement transition strategy so that beginning on January 1, 2035, any qualified transit bus purchased for regular route transit service or special transportation service under section 473.386 by the council is a zero-emission transit bus;

(3) consider methods for transit providers to maximize greenhouse gas reduction in addition to zero-emission transit bus procurement, including but not limited to service expansion, reliability improvements, and other transit service improvements;

(4) analyze greenhouse gas emission reduction from transit improvements identified under clause (3) in comparison to the zero-emission transit bus procurement strategy under clause (2);

(5) set transition milestones or performance measures, or both, which may include vehicle procurement goals over the transition period in conjunction with the strategy under clause (2);

~~(3)~~ (6) identify barriers, constraints, and risks, and determine objectives and strategies to address the issues identified;

~~(4)~~ (7) consider findings and best practices from other transit agencies;

~~(5)~~ (8) analyze zero-emission and electric transit vehicle technology impacts, including cold weather operation and emerging technologies;

(9) prioritize deployment of zero-emission transit buses based on the extent to which service is provided to environmental justice areas, as defined in section 116.065, subdivision 1;

~~(6)~~ (10) consider opportunities to prioritize the deployment of zero-emissions vehicles in areas with poor air quality;

(11) consider opportunities to prioritize deployment of zero-emission transit buses along arterial and highway bus rapid transit routes, including methods to maximize cost effectiveness with bus rapid transit construction projects;

~~(7)~~ (12) provide detailed estimates of implementation costs to implement the plan and achieve the transition under clause (2), which, to the extent feasible, must include a forecast of annual expenditures, identification of potential sources of funding, and a summary of any anticipated or planned activity to seek additional funds; and

~~(8)~~ (13) examine capacity, constraints, and potential investments in the electric transmission and distribution grid, in consultation with appropriate public utilities;

(14) identify methods to coordinate necessary facility upgrades in a manner that maximizes cost effectiveness and overall system reliability;

(15) examine workforce impacts under the transition plan, including but not limited to changes in staffing complement; personnel skill gaps and needs; and employee training, retraining, or role transitions; and

(16) summarize updates to the plan from the most recent version.

Subd. 3. **Copy to legislature.** Upon completion or revision of the plan, the council must provide a copy to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 107. Minnesota Statutes 2023 Supplement, section 473.3999, is amended to read:

**473.3999 LIGHT RAIL TRANSIT CONSTRUCTION; COUNCIL AUTHORITY; STAFF ASSISTANCE; PROJECT MANAGER QUALIFICATIONS.**

Subdivision 1. Powers. ~~(a)~~ The ~~Metropolitan~~ council may exercise the powers granted in this chapter and in other applicable law, as necessary, to plan, design, acquire, construct, and equip light rail transit facilities in the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. Staff and project assistance required; Department of Transportation. ~~(b)~~ (a) Notwithstanding any cooperative agreement between the commissioner of transportation and the ~~Metropolitan~~ council in section 473.3994, subdivision 1a, if the council is the responsible authority, the commissioner of transportation must provide staff and project assistance to the council for review and oversight of the project's development. ~~To the extent practicable,~~ The ~~Metropolitan~~ council must utilize the Department of Transportation staff and project assistance for:

(1) the appropriate delivery method selection for the design, planning, acquisition, construction, and equipping of light rail transit projects;

(2) risk assessment analysis and cost analysis in the planning, designing, and construction of a light rail transit facility or a new light rail transit project, including but not limited to:

(i) a critical path schedule for the planning and design phases of a project developed jointly by the council and the commissioner of transportation;

(ii) peer reviews or value engineering reviews at various milestones established in the critical path schedule created under item (i); and

(iii) council participation in cost estimate reviews by third-party independent cost estimators in conformance with Federal Transit Administration regulations and guidance;

(3) contractor and subcontractor schedule analysis and contractual requirements, including but not limited to:

(i) development and review of requests for proposals and bid documents prior to advertisement and solicitation;

(ii) review of bids submitted prior to the award of bids;

(iii) review of draft contractual language prior to the execution of project contracts;

(iv) review of change orders for major cost items exceeding \$500,000 and schedule delays of more than 30 calendar days prior to the execution of a change order; and

(v) participation in any dispute resolution process that may arise to address competing claims or disputes between a contractor and the council;

(4) light rail transit project cost management and budget analysis for the planning, designing, and construction of a light rail transit facility or new light rail transit project, including but not limited to:

(i) recommendations to address or manage cost overruns or discrepancies, funding sources, contingency funding sources and availability, and the management of state or county financial resources;

(ii) recommendations on appropriate contractual enforcement mechanisms and penalties for any council agreement with a contractor for a light rail transit project; and

(iii) the development of future cost estimates and communication of projected cost increases for a light rail transit project; and

(5) any other ~~technical~~ areas of expertise that the Department of Transportation may offer.

~~(e)~~ (b) The council must provide the commissioner of transportation all relevant information required by this section.

(c) Staff from the Department of Transportation providing project assistance to the council must report to the commissioner of transportation. Staff assistance from the Department of Transportation must include at least one licensed professional engineer.

(d) If the commissioner of transportation provides the council with staff and project assistance for the development of a light rail transit project as provided under this section, the commissioner must submit and detail all recommendations made to the council to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within 30 days of submitting its recommendations to the council.

(e) The council must give strong consideration to utilizing input or recommendations developed by the commissioner of transportation. If the council decides against utilizing input or recommendations from the department, the council must reconcile significant deviations to the extent practicable and that portion of the project cannot move forward from the critical path schedule's milestone until the recommendation is reconciled. If the council has sufficient reasoning to justify not utilizing input or recommendations from the department, the council must, within 30 business days, provide written notice and documentation of the decision to the department and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The notice and documentation must provide the reasons why the council is not utilizing the input or recommendations provided by the department.

Subd. 3. **Project costs.** The project budget is responsible for costs incurred by the commissioner of transportation for duties required in this section. The council must only use direct appropriations in law or federal sources to pay its portion of light rail transit capital construction costs.

Subd. 4. **Project manager; qualifications.** If the Metropolitan Council is the responsible authority, the council must select a qualified project manager and lead project engineer with at least ten years' transportation industry experience to lead the planning, design, acquisition, construction, or equipping of a new light rail transit project.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment. Subdivision 2 does not apply to the Southwest light rail transit (Green Line Extension) project. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 108. Minnesota Statutes 2023 Supplement, section 473.4051, is amended by adding a subdivision to read:

Subd. 4. **Bus rapid transit project scope; infrastructure.** (a) The council must design, fully scope, and construct each arterial bus rapid transit project with the following elements:

(1) sidewalk curb ramps and pedestrian signals that meet current Americans with Disabilities Act standards as of the time of engineering completion at the four intersection quadrants of an intersection adjacent to a bus rapid transit station;

(2) transit pavement markings, as applicable; and



(3) traffic signal transit priority modifications, where feasible and reasonable, to improve speed and efficiency of service.

(b) The requirements under paragraph (a), clause (1), include intersection infrastructure that serves the bus rapid transit station from the opposite side of a street. The requirements under paragraph (a), clause (1), exclude locations that are:

(1) compliant with current Americans with Disabilities Act standards as of the time of engineering completion for the project; or

(2) otherwise included in a programmed and colocated roadway construction project.

(c) For bus rapid transit project costs resulting from the requirements under paragraph (a), clause (1), the council must pay 50 percent of the costs and the unit of government with jurisdiction over the road must pay 50 percent of the costs. The council must pay the project costs resulting from the requirements under paragraph (a), clauses (2) and (3).

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment for projects that first commence construction on or after that date. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 109. Minnesota Statutes 2023 Supplement, section 473.412, subdivision 2, is amended to read:

Subd. 2. **Standards established.** (a) ~~By October 1, 2023,~~ The Metropolitan Council must adopt standards on cleanliness and repair of transit vehicles and stations. To the extent practicable, the standards must address:

(1) cleaning requirements for transit stations and vehicles operated by the council;

(2) a strategy for discovering and removing vandalism, graffiti, or other defacement to transit stations or vehicles operated by the council;

(3) a proposal for the timely repair of damage to transit stations and transit vehicle fixtures, structures, or other property used for the purpose of supporting public transit; and

(4) any other cleanliness standards necessary to provide a quality ridership experience for all transit users.

(b) ~~By February 1, 2024,~~ The Metropolitan Council must provide information on the council's website on how the council solicits public feedback on cleanliness and rider experience at transit stations and on transit vehicles. The council must post conspicuous notice of the public feedback options at each light rail transit station and bus rapid transit station operated by the council.

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

Sec. 110. Minnesota Statutes 2023 Supplement, section 473.412, subdivision 3, is amended to read:

Subd. 3. **Report required; cleaning standards and expenditures.** (a) ~~By October 1, 2023, and every two years~~ October 1, 2024, and every year thereafter, the Metropolitan Council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transit policy and finance on transit cleanliness and the ridership experience.

(b) ~~The first report due under paragraph (a) must provide information on the council's adopted cleanliness standards required under subdivision 2, including whether the council adopted new cleanliness standards or revisions to current cleanliness standards. The first report must also provide information on how the council developed the cleanliness standards, the stakeholders it consulted in drafting the cleanliness standards, and the financial resources needed to implement the cleaning and repair standards. The first report must also identify the council's proposal for soliciting public feedback on cleanliness and rider experience at transit stations and on transit vehicles operated by the council. A report prepared under this subdivision must include information gathered from the required public feedback on cleanliness and rider experience required in subdivision 2, paragraph (b). The council must consider and recommend revisions to cleanliness standards based on the collection of public feedback and must summarize feedback received by the council in the report.~~

(c) ~~For reports submitted on October 1, 2025, and every two years thereafter, the report~~ A report submitted under this subdivision must include:

- (1) the total expenditures for cleaning and repairing transit stations and transit vehicles;
- (2) ~~a report on~~ the frequency, type, and location of repairs;
- (3) ~~a report on~~ whether specific transit stations needed a higher proportion of cleaning or repairs and detail the council's strategy to resolve identified and persistent concerns at those locations;
- (4) ~~a report on~~ recommendations to address workforce challenges for ~~maintaining the the implementation and maintenance of~~ cleanliness and repair standards adopted by the council, including whether the council maintained agreements with third-party services for cleaning and repair;
- (5) whether the council has adopted preventative measures against vandalism or graffiti; and
- (6) any recommendations for additions to the transit rider code of conduct ~~adopted by the council~~ under section 473.4065 or the transit rider investment program under section 473.4075.

~~(d) The council must collect and summarize the public comments it receives and incorporate those comments into the report required under paragraph (c).~~

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

Sec. 111. Minnesota Statutes 2023 Supplement, section 473.4465, subdivision 4, is amended to read:

Subd. 4. **Use of funds; metropolitan counties; reporting.** (a) A metropolitan county must use revenue from the regional transportation sales and use tax under section 297A.9915 in conformance with the requirements under section 174.49, subdivision 6.

(b) By February 15 of each even-numbered year, a metropolitan county must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on the use of funds received under section 297A.9915. This report must be submitted in conjunction with the report required under section 297A.993, subdivision 2a. At a minimum, the report must include:

- (1) actual sales tax collections allocated to the county over the previous five calendar years;
- (2) an estimation of the total sales tax revenue that is estimated to be allocated to the county in the current year and for the next ten calendar years; and

(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:

(i) the amount of sales tax revenue expended or proposed to be expended for each of the allowable uses under section 174.49, subdivision 6;

(ii) completed, current, planned, and eligible projects or programs for each category under item (i); and

(iii) an estimated balance of unspent or undesignated regional transportation sales and use tax revenue.

Sec. 112. Minnesota Statutes 2022, section 473.452, is amended to read:

**473.452 TRANSIT OPERATING RESERVES; REPORT.**

(a) By ~~February 4~~ December 15 each year, each replacement service provider under section 473.388 must report to the council its projected total operating expenses for the current ~~calendar~~ state fiscal year and its projected operating reserve fund balance as of the previous ~~December~~ July 31.

(b) By ~~March 4~~ January 15 each year, the council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must include:

(1) the information from each provider received under paragraph (a); and

(2) the council's projected total operating expenses for the current ~~calendar~~ state fiscal year and its projected operating reserve fund balance as of the previous ~~December~~ July 31.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 113. Minnesota Statutes 2022, section 480.15, is amended by adding a subdivision to read:

Subd. 10d. **Uniform collections policies and procedures; limitations.** The uniform collections policies and procedures under subdivision 10c must not allow collections of court debt, as defined in subdivision 10c, or referral of court debt to the Department of Revenue, that only arises from a single violation under section 169.06, subdivision 10, or 169.14, subdivision 13.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and expires August 1, 2029.

Sec. 114. Laws 2023, chapter 68, article 4, section 108, is amended to read:

**Sec. 108. ADDITIONAL DEPUTY REGISTRAR OF MOTOR VEHICLES FOR RAMSEY COUNTY.**

Notwithstanding Minnesota Statutes, ~~section~~ sections 168.33 and 171.061, and rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar or driver's license agent based on either the distance to an existing deputy registrar or driver's license agent office or the annual volume of transactions processed by any deputy registrar or driver's license agent within Ramsey County before or after the proposed appointment, the commissioner of public safety must appoint a new private deputy registrar of motor vehicles and driver's license agent to operate a new full-service office of deputy registrar, with full authority to function as a registration and motor vehicle tax collection bureau or driver's license agent bureau, at or in the vicinity of the Hmong Village shopping center at 1001 Johnson Parkway in the city of St. Paul. The addition of a driver's license agent establishes the location as a full-service office with full authority to function as a registration and motor

vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, ~~section~~ sections 168.33 and 171.061, and Minnesota Rules, ~~chapter~~ chapters 7404 and 7406, apply to the office.

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

Sec. 115. Laws 2023, chapter 68, article 4, section 126, is amended to read:

Sec. 126. **LEGISLATIVE REPORT; SPEED SAFETY CAMERAS.**

(a) By ~~November 1, 2024~~ January 15, 2025, the commissioner of public safety must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance that identifies a process and associated policies for issuance of a mailed citation to the owner or lessee of a motor vehicle that a speed safety camera system detects is operated in violation of a speed limit.

(b) The commissioner must convene a task force to assist in the development of the report. The task force must include the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, a representative from the Minnesota County Attorneys Association, a representative from the judicial branch, and a person with expertise in data privacy and may include other members as the commissioner determines are necessary to develop the report.

(c) At a minimum, the report must include consideration and analysis of:

- (1) methods to identify the owner, operator, and any lessee of the motor vehicle;
- (2) compliance with federal enforcement requirements related to holders of a commercial driver's license;
- (3) authority of individuals who are not peace officers to issue citations;
- (4) authority of individuals who are not peace officers to issue citations electronically;
- (5) judicial and court administrative capacity to process violations issued under the pilot program authorized in Minnesota Statutes, section 169.147;
- (6) the appropriate legal classification of citations issued under a camera-based traffic enforcement system;
- (7) data practices, including but not limited to concerns related to data privacy;
- ~~(5)~~ (8) due process, an appeals process, the judicial system, and other legal issues;
- ~~(6)~~ (9) technology options, constraints, and factors, including the implementation of electronic citations; and
- ~~(7)~~ (10) recommendations regarding implementation, including but not limited to any legislative proposal and information on implementation costs of the pilot program authorized in Minnesota Statutes, section 169.147.

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

Sec. 116. **TRAFFIC SAFETY CAMERA SYSTEMS; EVALUATION AND REPORTING.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms and the terms defined in Minnesota Statutes, section 169.147, subdivision 1, have the meanings given.

(b) "Commissioner" means the commissioner of transportation.

(c) "Commissioners" means the commissioners of transportation and public safety.

(d) "Implementing authority" has the meaning given in Minnesota Statutes, section 169.147, subdivision 1, paragraph (e).

(e) "Pilot program" means the traffic safety camera system pilot project established in Minnesota Statutes, section 169.147.

(f) "Traffic safety camera system" has the meaning given in Minnesota Statutes, section 169.011, subdivision 85a.

**Subd. 2. Independent evaluation; general requirements.** (a) The commissioner must arrange for an independent evaluation of traffic safety camera systems that includes analysis of the pilot program. By December 31, 2028, the commissioner must submit a copy of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(b) The evaluation must be performed outside the Departments of Transportation and Public Safety by an entity with qualifying experience in traffic safety research. The evaluation must include any monitoring sites established by an implementing authority.

(c) The commissioner must establish an evaluation methodology that provides standardized metrics and evaluation measures and enables valid statistical comparison across monitoring sites.

(d) At a minimum, the evaluation must:

(1) analyze the effectiveness of traffic safety camera systems in lowering travel speeds, reducing speed differentials, reducing violations of traffic-control signals, and meeting any other measures identified in the evaluation methodology;

(2) perform statistical analyses of traffic speeds, crashes, injuries, fatalities, and other measurable traffic incidents; and

(3) identify any changes in traffic congestion attributable to traffic safety camera systems.

**Subd. 3. Independent evaluation; implementing authorities.** (a) An implementing authority under the pilot program must follow the evaluation methodology established under subdivision 2.

(b) An implementing authority under the pilot program must provide information for the evaluation under subdivision 2 as requested and include the following:

(1) the total number of warnings issued;

(2) the total number of citations issued;

(3) the number of people who opted for diversion under Minnesota Statutes, sections 169.06, subdivision 10, paragraph (b), and 169.14, subdivision 13, paragraph (b);

(4) gross and net revenue received;

(5) expenditures incurred;

(6) a description of how the net revenue generated by the program was used;

(7) total amount of any payments made to a contractor;

(8) the number of employees involved in the pilot program;

(9) the type of traffic safety camera system used;

(10) the location of each monitoring site;

(11) the activation start and stop dates of the traffic safety camera system at each monitoring site;

(12) the number of citations issued, with a breakout by monitoring site;

(13) the number of instances in which a traffic enforcement agent reviewed recorded video or images for a potential violation but did not issue a resulting citation; and

(14) details on traffic safety camera system inspection and maintenance activities.

**Subd. 4. Pilot program reporting.** (a) An implementing authority that operates a traffic safety camera system in a calendar year must publish a report on the authority's website on the implementation for that calendar year. The report is due by March 1 of the following calendar year.

(b) At a minimum, the report must summarize the activities of the implementing authority and provide the information required under subdivision 3, paragraph (b).

**Subd. 5. Legislative report.** By January 15, 2029, the commissioners must submit a report on traffic safety camera systems to the members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must:

(1) provide a review of the pilot program;

(2) provide data on citations issued under the pilot program, with breakouts by year and location;

(3) summarize the results of the independent evaluation under subdivision 2;

(4) evaluate any disparities in impacts under the pilot programs, including by income, by race, and in communities that are historically underrepresented in transportation planning;

(5) identify fiscal impacts of implementation of traffic safety camera systems; and

(6) make any recommendations regarding ongoing traffic safety camera implementation, including but not limited to any draft legislative proposal.

**Sec. 117. REPORT; WORK ZONE SAFETY PILOT PROJECT RESULTS.**

(a) By October 1, 2029, the commissioners of transportation and public safety must submit a report on the results and findings of the work zone pilot project that utilized camera-based speed enforcement to issue warnings as provided in Minnesota Statutes, section 169.147, subdivision 17.

(b) At a minimum, the report must:

(1) provide a review of the work zone pilot project;

(2) provide data on warning notices issued by the pilot project, with breakouts by year, location, and trunk highway type;

(3) evaluate any disparities in impacts under the work zone pilot project;

(4) make recommendations on the calibration, installation, enforcement, administration, adjudication, and implementation of speed camera traffic enforcement in trunk highway work zones, including any statutory or legislative changes needed; and

(5) make recommendations on how to integrate trunk highway work zone speed camera enforcement into the commissioner's strategies, practices, and methods to reduce vehicle speeds and enhance worker safety in work zones.

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

Sec. 118. **ANTIDISPLACEMENT COMMUNITY PROSPERITY PROGRAM BOARD.**

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

(b) "Antidisplacement community prosperity program" or "program" means the antidisplacement community prosperity program established under section 119.

(c) "Blue Line light rail transit extension corridor" or "corridor" has the meaning given in section 119.

(d) "Board" means the Antidisplacement Community Prosperity Program Board established in this section.

Subd. 2. **Creation.** The Antidisplacement Community Prosperity Program Board is established to implement the antidisplacement community prosperity program.

Subd. 3. **Membership.** Subject to modification as provided in the bylaws adopted under subdivision 8, the board consists of the members of the Blue Line Extension Anti-Displacement Working Group established by Hennepin County and the Metropolitan Council, as specified in the Blue Line Extension Anti-Displacement Recommendations report published in April 2023 by the Center for Urban and Regional Affairs at the University of Minnesota.

Subd. 4. **Chair; other officers.** The chair of the Metropolitan Council, or a designee, is responsible for chairing the first meeting of the board. The board must elect from among its members a chair and vice-chair at the first meeting.

Subd. 5. **Duties.** (a) The board must establish an application process to review and approve proposed expenditures for the antidisplacement community prosperity program. An application for a proposed expenditure must receive approval from a majority of board members. The board may request information on financial disclosures from any entity or individual seeking funds under the program, including a complete independent financial audit of the entity. The board must not approve an expenditure that would violate the standard under subdivision 8, paragraph (a), clause (2).

(b) The application process must evaluate proposed expenditures to determine whether the expenditure is for a qualifying purpose under section 119, subdivision 3, whether an equal amount of funds have been secured from nonstate sources as required in section 119, and whether the expenditure benefits the people along the Blue Line light rail transit extension corridor.

(c) The Metropolitan Council and state and metropolitan agencies must cooperate with the board and provide information on the Blue Line light rail transit extension project in a timely manner to assist the board in conducting its business and reviewing applications for program expenditures.

(d) The board must review and consult with the Minnesota Housing Finance Agency, the Department of Employment and Economic Development, the Department of Labor and Industry, and the Metropolitan Council on applications for prospective expenditures to identify areas of need along the project corridor and ensure expenditures achieve the qualifying purpose established in section 119, subdivision 3.

Subd. 6. **Expiration.** The Antidisplacement Community Prosperity Program Board expires on June 30, 2030.

Subd. 7. **Administration.** By August 1, 2024, the board must be convened and meet a minimum of three times. On or after January 1, 2025, the board must meet at least quarterly to consider, review, and approve proposed expenditures.

Subd. 8. **Bylaws; requirements.** (a) The board must adopt bylaws related to board governance. The bylaws must establish:

(1) procedures for board appointments and appointing authorities, membership, terms, removal, and vacancies; and

(2) a standard and procedures for recusal and conflicts of interest.

(b) Appointments to the board must not include a member of the legislature.

(c) The board may adopt procedures to carry out the requirements of the program and as needed to review, approve, and facilitate applications for eligible program expenditures under section 119, subdivision 3.

Subd. 9. **Compensation.** Board member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.0575, subdivision 3.

Subd. 10. **Administrative support; staff.** Hennepin County must provide meeting space, administrative support, and staff support for the board. The board must hold its meetings within one mile of the Blue Line light rail transit extension project corridor.

Subd. 11. **Open meeting law.** Meetings of the board are subject to Minnesota Statutes, chapter 13D.

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

Sec. 119. **BLUE LINE LIGHT RAIL TRANSIT EXTENSION ANTIDISPLACEMENT COMMUNITY PROSPERITY PROGRAM.**

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

(b) "Antidisplacement community prosperity program" or "program" means the program established under subdivision 2.



(c) "Antidisplacement community prosperity program money" or "program money" means the money allocated to the program from the state.

(d) "Blue Line light rail transit extension corridor" or "corridor" means the neighborhoods and communities within one mile of the route selected for the Blue Line light rail transit extension project and the neighborhoods and communities within one mile of the former Blue Line light rail transit extension project route.

Subd. 2. **Establishment.** The antidisplacement community prosperity program is established to preserve and enhance affordable housing, small business support, job training and placement, and economic vitality and to benefit the people and sense of community along the Blue Line light rail transit extension corridor. Proposed program expenditures are reviewed and approved by the Antidisplacement Community Prosperity Program Board under section 118.

Subd. 3. **Qualifying purposes.** Program money must only be expended for the following purposes:

(1) affordable housing to support:

(i) existing residents staying in place along the project corridor; and

(ii) development, preservation, and access to safe affordable housing and house choice;

(2) small business and community ownership support to:

(i) incentivize community institutions, businesses, and community members to own property along the corridor and preserve cultural heritage;

(ii) connect business owners, community institutions, and community members in the corridor to other commercial nodes;

(iii) improve the business climate before, during, and after construction in the corridor;

(iv) prioritize the development of spaces for small businesses;

(v) support opportunities for existing businesses to stay in place and feel supported; and

(vi) create opportunities for further community ownership in the corridor while preserving existing levels of ownership;

(3) public space infrastructure enhancements to:

(i) improve infrastructure around the project and corridor;

(ii) enhance community connections to the corridor; and

(iii) preserve cultural heritage in the corridor; and

(4) job training and placement to increase corridor resident participation in the Blue Line light rail transit extension project and program initiatives.

Subd. 4. **Program governance.** Expenditures funded under this section must be reviewed and approved by the Antidisplacement Community Prosperity Program Board established in section 118. The board's review must determine whether a prospective expenditure is for a qualifying purpose as provided in subdivision 3. The board must not approve an expenditure for any purpose unless the purpose has received an equal amount of funding from nonstate sources, including federal, local, Metropolitan Council, or philanthropic funding. The board is responsible for administering the program expenditure to the approved entity or individual.

Subd. 5. **Report.** By February 1 of each year, the Antidisplacement Community Prosperity Program Board must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must include a complete review and summary of antidisplacement community programming, including:

- (1) a detailed fiscal review of all expenditures, including a report on expenditures not approved by the board;
- (2) the criteria for determining whether a prospective expenditure is for a qualifying purpose, including a detailed analysis of the decision-making process in applying the factors set forth in subdivision 3;
- (3) a description of programs or activities funded with expenditures approved by the board, including any measurable outcomes achieved as a result of the funding;
- (4) the source and amount of money collected and distributed by the board;
- (5) an explanation of administrative expenses and staffing costs related to the board's administration of the program, including identifying each board member's role and responsibility;
- (6) detailed financial information of nonstate funding received by the board;
- (7) a detailed financial review of instances when the board required a complete, independent financial audit to the extent allowed under law; and
- (8) documentation of any identified misuse of expenditures or expenditures not deemed to be a qualified purpose under the criteria of subdivision 3.

Subd. 6. **Expiration.** The antidisplacement community prosperity program expires on June 30, 2030.

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

Sec. 120. **COMMUNITY ROADSIDE LANDSCAPE PARTNERSHIPS.**

Subject to available funds, the commissioner of transportation must assess and undertake methods to improve and expand the Department of Transportation's community roadside landscape partnership program, including:

- (1) identifying and evaluating locations for partnership opportunities throughout the state where there is high traffic volume and minimal existing vegetation coverage in the form of trees or large shrubs;
- (2) performing outreach and engagement about the program with eligible community partners;
- (3) prioritizing roadsides where vegetation could reduce neighborhood noise impacts or improve aesthetics for neighborhoods that border interstate highways without regard to whether there are existing noise walls; and
- (4) analyzing methods to include cost sharing between the department and participating community partners for ongoing landscape maintenance.

Sec. 121. **MINNESOTA ADVISORY COUNCIL ON INFRASTRUCTURE IMPLEMENTATION ACTIVITIES.**

(a) Appointing authorities under Minnesota Statutes, section 16B.357, subdivision 2, must make initial appointments by May 1, 2025.

(b) By May 1, 2025, the commissioner of administration must hire an executive director as provided under Minnesota Statutes, section 16B.359.

(c) Following the appointments under paragraph (a) and hiring an executive director under paragraph (b), the Minnesota Advisory Council on Infrastructure established under Minnesota Statutes, section 16B.357, must undertake community engagement efforts throughout the state that include hearings to obtain comments and information related to providing for effective and efficient management of infrastructure and preserving and extending the longevity of Minnesota's public and privately owned infrastructure.

Sec. 122. **PUBLIC EDUCATION CAMPAIGN; MOTORCYCLE OPERATIONS.**

The commissioner of public safety must implement a statewide public education campaign to alert drivers and the public on how motorcycles may safely overtake and pass a vehicle within the same lane or between parallel lanes. The information must be consistent with the requirements of Minnesota Statutes, section 169.974, subdivision 5.

Sec. 123. **DRIVER AND VEHICLE SERVICES; MATERIALS IN A LANGUAGE OTHER THAN ENGLISH.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Deputy registrar" means a public or private deputy registrar appointed by the commissioner under Minnesota Statutes, section 168.33.

(d) "Driver's license agent" means a public or private driver's license agent appointed by the commissioner under Minnesota Statutes, section 171.061.

(e) "Equivalent materials" means written materials such as forms, applications, questionnaires, letters, or notices that are used to ask or order a person to provide information or to give a person information on provisions relevant to a person's rights, duties, or privileges under Minnesota Statutes, chapters 168, 168A, and 171, offered in a qualifying language.

(f) "Qualifying language" means a language not in English and must include Spanish, Hmong, Somali, Karen, Russian, Vietnamese, and any other language used by significant populations within Minnesota as determined in subdivision 2.

(g) "Substantial number" means 20 percent of the total number of transactions or office visits at a given deputy registrar or driver's license agent location.

Subd. 2. Offering of translated materials required. (a) The commissioner must produce equivalent materials for distribution and use by a deputy registrar or driver's license agent to a non-English speaking person seeking the service of a deputy registrar or driver's license agent. The commissioner must translate materials in English into a qualifying language and prioritize translation of material that is distributed most frequently to the public.

(b) The commissioner, in consultation with the commissioner of administration and the organizations specified in paragraph (c), must determine whether a location of an appointed deputy registrar or driver's license agent serves a substantial number of non-English speaking people and whether the non-English speaking population has access to equivalent materials in a qualifying language. If the commissioner determines a location serves a substantial number of non-English speaking people, the commissioner must notify the location and provide the equivalent materials in all qualifying languages to the deputy registrar or driver's license agent free of charge. If the commissioner determines a location serves a substantial number of non-English speaking people but the language spoken is not a qualifying language, the commissioner must produce equivalent materials for distribution and use by the location in the nonqualifying language within 30 days of its determination.

(c) The commissioner must consult with the Minnesota Council on Latino Affairs, the Minnesota Council on Asian Pacific Minnesotans, the Council for Minnesotans of African Heritage, and other organizations representing other non-English speaking people on the extent of services offered by a deputy registrar or driver's license agent location and whether there is need for equivalent materials at that location. The commissioner must periodically consult with the organizations specified in this paragraph to determine whether:

(1) equivalent materials are required in new, nonqualifying additional languages spoken by populations within Minnesota; and

(2) existing deputy registrar or driver's license agent locations are meeting the needs of non-English speaking populations in qualifying and nonqualifying languages.

(d) If a non-English speaking person seeks the services of a deputy registrar or driver's license agent but the language spoken by the person is not determined to be a qualifying language, the deputy registrar or driver's license agent must determine whether the Department of Public Safety has produced those materials in the language spoken by the person. If the materials are not yet available, the Division of Driver and Vehicle Services must be notified and provide the equivalent materials in the new language within 30 days. The equivalent materials must be provided free of charge to the requester.

(e) If the commissioner determines that equivalent materials are required in a new language, the commissioner must notify the organizations specified in paragraph (c) and provide notice to deputy registrars and driver's license agents of the availability of equivalent materials. The commissioner, in consultation with the commissioner of administration, must establish administrative support procedures for assisting deputy registrars and driver's license agents with requests for equivalent materials in a qualifying or nonqualifying language.

Subd. 3. **Report required.** By February 1, 2026, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must detail the efforts of the Division of Driver and Vehicle Services to implement the requirements of this section and must include the following:

(1) the locations of deputy registrars and driver's license agents who serve a substantial number of non-English speaking people on a yearly basis;

(2) the different languages requested at locations serving a substantial number of non-English speaking people;

(3) how many requests for equivalent materials in languages other than English were made but not at locations that serve a substantial number of non-English speaking people on a yearly basis;

(4) the expenditures used on producing equivalent materials in languages other than English;

(5) any recommended legislative changes needed to produce equivalent materials in languages other than English statewide;

(6) any information or feedback from deputy registrars and driver's license agents; and

(7) any information or feedback from persons who requested equivalent materials under this section.

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

Sec. 124. **STUDY; DYNAMIC TRANSPORTATION OPTIONS; GREATER MINNESOTA TRANSIT PLAN; REPORT.**

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

(1) "commissioner" means the commissioner of transportation;

(2) "dynamic transportation options" includes but is not limited to nonfixed route options, prearranged and dial-a-ride options arranged via telephone, digital application, or website; demand response microtransit service for last-mile connection; and private transportation companies, including but not limited to transportation network companies or taxi companies;

(3) "nonmetropolitan county" means any Minnesota county other than those under Minnesota Statutes, section 473.121, subdivision 4; and

(4) "wheelchair accessible vehicle" means a vehicle equipped with a ramp or lift capable of transporting nonfolding motorized wheelchairs, mobility scooters, or other mobility devices.

Subd. 2. **Study required; pilot program proposal.** (a) The commissioner must study, in collaboration with identified stakeholders in subdivision 3, increasing access to transit and transportation options, including ridesharing or other dynamic transportation options in rural, nonmetropolitan areas. The report must identify existing gaps in transportation service in greater Minnesota. The commissioner may include the results of the report required under this section in the 2025 Greater Minnesota transit investment plan provided in Minnesota Statutes, section 174.24, subdivision 1a.

(b) The commissioner must outline and make recommendations on establishing a proposed rural dynamic transportation options pilot program in coordination with a rural transportation coordinating council. The proposed pilot program must attempt to increase service in the rural transportation coordinating council's area by identifying gaps in service and propose options to increase mobility, including but not limited to the use of transportation network companies or taxis with access to wheelchair accessible vehicles. The proposed pilot project plan must compare the regional transportation coordinating council's current service area versus its proposed new service area, the cost differential, and the anticipated new users of the pilot program. The proposed pilot project plan must include a timeline for deployment and what resources may be needed to implement the pilot for at least two years.

Subd. 3. **Stakeholders.** (a) The commissioner must develop the study in consultation with:

(1) one representative from the Minnesota Council on Disability;

(2) two representatives, who must be jointly selected by the American Council of the Blind of Minnesota, the National Federation of the Blind of Minnesota, and the Minnesota DeafBlind Association;

(3) one representative from a transportation network company, as defined in Minnesota Statutes, section 65B.472, subdivision 1;

(4) one representative from a taxicab company;

(5) one representative with familiarity and experience in transit vehicle dispatching services and route connection expertise;

(6) the executive director of the Minnesota Council on Transportation Access or a designee;

(7) two representatives from a Minnesota regional transportation coordination council, one of whom must be a volunteer driver who transports persons or goods on behalf of a nonprofit organization or governmental unit using their own private passenger vehicle or a volunteer driver coordinator;

(8) one county commissioner from a nonmetropolitan county;

(9) a private transit or transportation services provider;

(10) one representative from a transit provider who provides transportation services in a small urban area and receives funds under United States Code, title 49, section 5307; and

(11) one representative from a transit provider who provides transportation services in a rural area and receives funds under United States Code, title 49, section 5311.

(b) The commissioner may convene an in-person meeting of stakeholders to develop the report's contents and recommendations. The commissioner is responsible for providing accessible meeting space and administrative and technical support for any stakeholder meeting to develop the report. Public members of the working group serve without compensation or payment of expenses.

(c) If the groups specified in paragraph (a), clause (2), are unable to select a member to participate in the development of the report, the commissioner may appoint two members of the public who:

(1) are blind, partially blind, or deafblind; and

(2) possess relevant experience in transportation or transit policy or as a rider of special transportation services.

Subd. 4. **Duties.** At a minimum, the commissioner and the stakeholders provided in subdivision 3 must identify and analyze:

(1) inefficiencies in route connections and demand response;

(2) improvements in coordination across different public, private, and individual sources of transportation;

(3) existing gaps in service in Greater Minnesota, including but not limited to:

(i) crossing county lines;

(ii) collaboration between counties;

(iii) resolving local funding share issues; and

(iv) vehicle availability, operating funds, staffing, and other capital issues;

(4) improvements in dispatch and service time for public and private service, including an analysis of digital and voice technology commercially available to transportation providers;

(5) areas of coordination to maximize the availability and use of vehicles for ambulatory people and maximizing the number of wheelchair-accessible vehicles in the program;

(6) the impact of Federal Transit Administration rules on mobility service improvements;

(7) the impact of Medicare services on transportation availability and options;

(8) nonemergency medical transportation issues;

(9) the impact of the commissioner's shared mobility work with the Moving Greater Minnesota Forward program; and

(10) rural and small urban transportation funding sources and their limitations for use of each relevant source.

Subd. 5. **Report.** By February 15, 2025, the commissioner of transportation must report the results of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

Subd. 6. **Expiration.** The requirement for collaboration between the stakeholders and the commissioner expires on May 15, 2025, or upon submission of the report required under subdivision 5, whichever is earlier.

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

Sec. 125. **STUDY; METRO MOBILITY ENHANCEMENTS; REPORT.**

(a) The commissioner of transportation must, in consultation with the chair of the Metropolitan Council, perform a Metro Mobility enhancement and service study and develop recommendations to improve the efficiency, effectiveness, reliability, dignity, and experience of riders of the special transportation service under Minnesota Statutes, section 473.386.

(b) The study must include:

(1) an evaluation of the Metropolitan Council's efforts to deliver improvements in the reliability, effectiveness, and efficiency of services as required by state and federal law, including workforce and procurement efforts to meet the demand for Metro Mobility services;

(2) an analysis of the extent to which Metro Mobility can fully meet demand for its services in both the federally defined and state-defined services areas, including a comprehensive examination of the Metropolitan Council's on-demand taxi alternative for Metro Mobility-certified riders and Metro Move services;

(3) an evaluation of whether Metro Mobility met performance goals for the fulfillment of ride requests in the state-mandated service area under Minnesota Statutes, section 473.386, subdivision 1, paragraph (a);

(4) an analysis of whether state service requirements in law should be amended to prohibit or restrict the denial of ride requests in the state-mandated service area and whether such a requirement in service can be met with existing resources;

(5) suggested improvements to the Metropolitan Council's oversight and management of its reservation and dispatch structure and a detailed analysis and recommendations on a Metropolitan Council-operated centralized reservation system;

(6) a comprehensive analysis of the Metropolitan Council's oversight and management of transit providers contracted to provide rides for Metro Mobility, including services plans, payment and bonus structure, and performance standards;

(7) recommendations on the adequacy of the Metro Mobility complaints process and an evaluation of whether the Metropolitan Council receives all rider concerns and whether concerns are addressed appropriately;

(8) an evaluation of the Metro Mobility enhancement pilot program instituted under Laws 2023, chapter 68, article 4, section 121;

(9) an evaluation and assessment of how to implement the use of transportation network companies or taxi services to provide an enhanced service option in which riders may pay a higher fare than other users of Metro Mobility services;

(10) an evaluation of the feasibility of nonsubsidized, subsidized, and tiered ride services handled by a dispatching service provider; and

(11) an analysis of and recommendations for comprehensive improvements in route coordination, call sequencing and customer service, integration with transportation network company applications, and cataloging rides for maximum efficiency and driver compensation.

(c) The Metropolitan Council must cooperate with the Department of Transportation and provide information requested in a timely fashion to implement and conduct the study.

(d) The commissioner must consult with interested parties and stakeholders in conducting the service study and report, including representatives from the Minnesota Council on Disability, American Council of the Blind of Minnesota, the Minnesota DeafBlind Association, the National Federation of the Blind's Minnesota chapter, metro-area private transportation companies, identified riders of Metro Mobility, transit providers, Metro Mobility drivers, the Board on Aging, the Department of Human Services, and any other interested party with experience in providing mobility services for disabled persons.

(e) By February 15, 2026, the commissioner must submit the report and findings to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

Sec. 126. **STUDY; HIGHWAY DESIGNATION REVIEW COMMITTEE.**

(a) By December 15, 2024, the commissioner of transportation must conduct a study on the establishment of a standing committee to evaluate and authorize designations of highways and bridges on the trunk highway system.

(b) At a minimum, the study required in paragraph (a) must:

(1) evaluate the feasibility and effectiveness of establishing a standing committee with authority to review proposals for designation of memorial highways and bridges on the trunk highway system and approve a designation without enactment of a law that specifies the designation in the manner under Minnesota Statutes, section 161.14;

(2) propose criteria for a standing committee to evaluate each designation proposal, with consideration of public interest, community support, and the locations of existing designations;



(3) examine whether other states have adopted similar review committees and identify any best practices or other considerations;

(4) evaluate the potential costs or benefits to authorizing establishment of designations as provided under clause (1);

(5) assess the required resources, staffing, and administrative support needed to establish and maintain the standing committee; and

(6) recommend draft legislation.

(c) The commissioner must submit the results of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

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

Sec. 127. **STUDY; ELECTRIC-ASSISTED BICYCLE YOUTH OPERATION.**

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

(b) "Active transportation advisory committee" means the committee established in Minnesota Statutes, section 174.375.

(c) "Advisory Council on Traffic Safety" means the advisory council established in Minnesota Statutes, section 4.076.

(d) "Commissioners" means the commissioner of public safety and the commissioner of transportation.

(e) "Electric-assisted bicycle" has the meaning given in Minnesota Statutes, section 169.011, subdivision 27.

Subd. 2. Electric-assisted bicycles study. (a) The commissioners must conduct a study and develop recommendations on the operation of electric-assisted bicycles by persons under the age of 18 to increase the safety of riders, other cyclists, and all other users of active transportation infrastructure. The commissioners must conduct the study jointly with the active transportation advisory committee and the Advisory Council on Traffic Safety.

(b) The study required under paragraph (a) must:

(1) identify challenges to the safe operation of electric-assisted bicycles by those under the age of 18;

(2) evaluate existing legal authority for strategies, practices, and methods to reduce the availability of modifications to the electric motor of electric-assisted bicycles;

(3) make recommendations on whether to change state law to improve electric-assisted bicycle safety on roads, trails, and other areas where safe operation of electric-assisted bicycles is needed; and

(4) propose educational and public awareness campaigns to educate the public about electric-assisted bicycles, promote their safe operation, and raise awareness of their unique characteristics when operating on roadways.

(c) In conducting the study with the Advisory Council on Traffic Safety and the active transportation advisory committee, the commissioners must consult with interested stakeholders, including but not limited to:

(1) active transportation and bicycling advocates;

- (2) local elected officials;
- (3) retailers and manufacturers of electric-assisted bicycles;
- (4) the Department of Natural Resources;
- (5) the Department of Commerce;
- (6) E-12 educators with experience in active transportation safety training;
- (7) medical professionals and emergency medical technicians;
- (8) the State Patrol and local law enforcement; and
- (9) consumer protection advocates.

Subd. 3. **Report.** By February 1, 2026, the commissioners must submit the study conducted under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

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

Sec. 128. **STUDY; DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT LOCATIONS  
COMPETITIVE BIDDING.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Deputy registrar" means a public or private deputy registrar appointed by the commissioner under Minnesota Statutes, section 168.33.

(d) "Driver's license agent" means a public or private driver's license agent appointed by the commissioner under Minnesota Statutes, section 171.061.

Subd. 2. **Study required.** The commissioner must conduct a driver's license agent and deputy registrar open bidding process study. The study must evaluate and analyze the appointment process for a replacement deputy registrar or driver's license agent when an appointed deputy registrar or driver's license agent closes an approved office location. At a minimum, the study must evaluate the requirements established in Minnesota Statutes, sections 168.33, subdivision 8b, and 171.061, subdivision 5a, and must include:

(1) the commissioner's proposal to establish a competitive bidding process to appoint a replacement deputy registrar or driver's license agent at an existing approved office location or approved replacement location;

(2) recommended legislation to establish, implement, administer, and enforce a competitive bidding process and its requirements in statute;

(3) an analysis of how the competitive bidding process would interact with the commissioner's existing rules on deputy registrar and driver's license agent office locations and propose recommendations to reconcile any issues;

(4) the effect of a competitive bidding process on service outcomes, financial sustainability, and needed financial assistance for deputy registrars and driver's license agents;

(5) how a competitive bidding process would initiate business development for persons who are seeking appointment as a deputy registrar or driver's license agent;

(6) the expected fiscal impact for creating and administering a competitive bidding process;

(7) an evaluation and recommendations on the impact of implementing a competitive bidding process on existing deputy registrar and driver's license agent locations; and

(8) feedback solicited from existing deputy registrars and driver's license agents on the commissioner's proposal.

Subd. 3. **Report.** By February 1, 2025, the commissioner must complete the study and report the results of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must include proposed legislation to establish and implement the competitive bidding process required in Minnesota Statutes, sections 168.33, subdivision 8b, and 171.061, subdivision 5a.

Sec. 129. **STUDY; WAYSIDE DETECTORS.**

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

(1) "commissioner" means the commissioner of transportation; and

(2) "wayside detector" or "wayside detector system" means one or more electronic devices that:

(i) perform automated scanning of passing trains, rolling stock, and on-track equipment to detect defects or precursors to defects in equipment or component parts; and

(ii) provide notification to individuals of a defect or precursor to a defect.

(b) The commissioner must conduct a comprehensive study on wayside detector systems and other rail inspection technologies. The commissioner must engage with the governor's Council on Freight Rail under Executive Order 24-02 to consider and review issues related to wayside detectors, including analyzing existing federal regulations and guidance, incidents and performance data, safety complaints, and best practices.

(c) The study must:

(1) identify current practices for defect notification to train crews;

(2) identify current practices for wayside detector systems or other inspection technology deployment and maintenance;

(3) analyze deployed and emerging wayside detector system technology, including known detector types and quantities and may include but is not limited to the following inspection technologies:

(i) acoustic bearing detectors;

(ii) hot box detectors;

(iii) wheel tread inspection detectors;

(iv) wheel impact load detectors;

(v) wheel temperature detectors;

(vi) wheel profile detectors; and

(vii) machine vision systems;

(4) analyze wayside detector systems' impacts on railroad safety and identify accidents and incident trends of rolling stock or other conditions monitored by wayside detectors;

(5) estimate costs of requiring wayside detector systems for Class II and Class III railroads and rail carriers and identify potential state funding mechanisms to institute the requirements;

(6) include a federal preemption analysis of mandating wayside detector systems under state law that includes an analysis and examination of federal law, case law, and federal guidance;

(7) analyze the costs and impacts, if any, on the transport of goods on certain Minnesota industries and sectors, including agriculture, taconite mining, manufacturing, timber, retail, and automotive, if implementation of a wayside detector system is required in Minnesota; and

(8) review current and anticipated Federal Railroad Administration efforts to regulate wayside detector systems, including guidance from the federal Railroad Safety Advisory Committee on wayside detectors.

(d) By January 15, 2026, the commissioner must submit a joint report with the governor's Council on Freight Rail on the study to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation, commerce, and civil law policy and finance.

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

Sec. 130. **STUDY; COMMERCIAL DRIVER WORKFORCE.**

(a) The commissioners of public safety and transportation must jointly conduct a study to address commercial driver shortages in transportation and transit sectors and propose recommendations to address the challenges posed by driver shortages and the attrition rate of commercial vehicle drivers in Minnesota. The study must comprehensively examine challenges in test access, workforce development, driver compensation and retention, training and certification offered by postsecondary institutions, and how each of those challenges may be addressed by the legislature or other state regulatory action.

(b) In conducting the study, the commissioners must consult with stakeholders involved in the training, certification, licensing, development, and education of commercial drivers, including but not limited to representatives from trucking companies, freight and logistics companies, transit and bus operators, labor unions representing commercial motor vehicle drivers, public and private commercial driver's license testing providers and behind-the-wheel instructors, or any other entity that may assist the commissioners in conducting the study. Stakeholders must assist the commissioners to identify key issues or policies that warrant further examination, address or clarify competing claims across industries, provide analysis on the reasons behind an operator shortage in Minnesota, and identify ways to increase driver access, participation, and retention in commercial driving operations.

(c) The commissioners must also consult with the commissioners of labor and industry, commerce, and employment and economic development; Metro Transit; the Center for Transportation Studies at the University of Minnesota; and the Board of Trustees of the State Colleges and Universities of Minnesota in conducting the study and developing the report to the legislature.

(d) The commissioners must convene an initial meeting with stakeholders and representatives from the agencies specified in paragraph (c) by July 15, 2024, to prepare for the study, identify areas of examination, and establish a solicitation process for public comment on the report. The public notification process required under this paragraph must attempt to solicit participation from the public on commercial driver shortage and workforce issues and include those comments in the report required under paragraph (f). The commissioners must convene at least six meetings before publication of the report.

(e) The commissioner of transportation is responsible for providing meeting space and administrative services for meetings with stakeholders in developing the report required under this section. Public members of the working group serve without compensation or payment of expenses. The commissioner of transportation must host the public notification, participation, and comment requirements under paragraph (d) on its website and use the information in preparing the study.

(f) By February 15, 2025, the commissioners must submit the results of the study, stakeholder and public comments, and recommended legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

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

Sec. 131. **STUDY; SPECIAL LICENSE PLATE REVIEW COMMITTEE.**

(a) By February 15, 2025, the commissioner of public safety must conduct a comprehensive study on the establishment of a standing committee in the Division of Driver and Vehicle Services to review and approve proposals for special license plates. The study must also evaluate potential improvements to the current statutory and legislative process for approving specialty license plates, including removal and delegation of legislative authority in the approval of new special license plates.

(b) The study required in paragraph (a) must:

(1) evaluate the feasibility and effectiveness of establishing a standing committee tasked with reviewing and approving proposals for special license plates;

(2) propose criteria for a standing committee to evaluate each special license plate proposal based on criteria such as public interest, community support, relevance to the purpose of special license plates, and potential revenue generation;

(3) assess the current statutory process for approving special license plates, including Minnesota Statutes, section 168.1293, and include suggested improvements to the statutory language to improve transparency, accountability, and public input in the special license plate process;

(4) analyze the roles and responsibilities of relevant stakeholders, including the legislature, the Department of Public Safety, community organizations, or other interested parties involved in the current approval, creation, and distribution of special license plates in Minnesota;

(5) examine other states that have adopted similar review committees for special license plates;

(6) evaluate the potential costs or benefits to removing legislative authority to approve special license plates, including a detailed analysis of fiscal considerations;

(7) evaluate whether the creation of a standing committee for review of special license plates would have any impact on rules currently adopted and enforced by the commissioner, including Minnesota Rules, part 7403.0500;

(8) evaluate whether the standing committee should be responsible for monitoring the implementation and usage of approved special license plates and recommend any necessary modifications or discontinuations to existing special license plates;

(9) assess the required resources, staffing, and administrative support needed to establish and maintain the standing committee; and

(10) provide any other recommendations to the potential improvement to the special license plate process, including design, implementation, and public engagement.

(c) The commissioner must submit the results of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

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

Sec. 132. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must recodify Minnesota Statutes, section 169.21, subdivision 6, as Minnesota Statutes, section 171.0701, subdivision 1b. The revisor must correct any cross-references made necessary by this recodification.

(b) The revisor of statutes must recodify Minnesota Statutes, section 473.3927, subdivision 1, as Minnesota Statutes, section 473.3927, subdivision 1b. The revisor must correct any cross-references made necessary by this recodification.

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

Sec. 133. **REPEALER.**

Minnesota Statutes 2022, section 168.1297, is repealed.

ARTICLE 4  
LABOR APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns under "Appropriations" are added to the appropriations in Laws 2023, chapter 53, or other law to the specified agency. 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.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2024</u></b>	<b><u>2025</u></b>
Sec. 2. <b><u>DEPARTMENT OF HEALTH</u></b>	<b><u>\$-0-</u></b>	<b><u>\$174,000</u></b>

\$174,000 the second year is for technical assistance for rulemaking for acceptable blood lead levels for workers. This is a onetime appropriation and is available until June 30, 2026.

**Sec. 3. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT****\$-0-****\$9,651,000**

(a) \$9,000,000 the second year is for a grant to Tending the Soil, to design, redesign, renovate, construct, furnish, and equip the Rise Up Center, a building located in Minneapolis, that will house a workforce development and job training center, administrative offices, and a public gathering space. This is a onetime appropriation and is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs.

(b) \$651,000 the second year is for implementation of the broadband provisions in article 13.

**Sec. 4. PUBLIC UTILITIES COMMISSION****\$-0-****\$39,000**

\$39,000 the second year is for investigation and enforcement of conduct by or on behalf of telecommunications carriers, telephone companies, or cable communications system providers that impacts public utility or cooperative electric association infrastructure.

**Sec. 5. DEPARTMENT OF REVENUE****\$-0-****\$143,000**

\$143,000 the second year is for the disclosure and records management unit to work on agency-to-agency data-sharing agreements related to worker misclassification. This is a onetime appropriation.

**Sec. 6. ATTORNEY GENERAL****\$-0-****\$49,000**

\$49,000 the second year is to represent the Department of Labor and Industry in contested case hearings related to worker misclassification. This appropriation is available until June 30, 2026. The base for this appropriation is \$98,000 in fiscal year 2027 and each year thereafter.

Sec. 7. Laws 2023, chapter 53, article 14, section 1, is amended to read:

**Section 1. EARNED SICK AND SAFE TIME APPROPRIATIONS.**

(a) \$1,445,000 in fiscal year 2024 and ~~\$2,209,000~~ \$1,899,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of labor and industry for enforcement and other duties regarding earned sick and safe time under Minnesota Statutes, sections 181.9445 to 181.9448, and chapter 177. The base for this appropriation is \$1,899,000 for fiscal year 2026 and each year thereafter.

(b) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of labor and industry for grants to community organizations under Minnesota Statutes, section 177.50, subdivision 4. This is a onetime appropriation.

(c) \$310,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of labor and industry for rulemaking related to earned sick and safe time under Minnesota Statutes, sections 181.9445 to 181.9448, and chapter 177. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 8. Laws 2023, chapter 53, article 19, section 2, subdivision 1, is amended to read:

Subdivision 1. <b>Total Appropriation</b>	<b>\$47,710,000</b>	<b>\$ <del>44,044,000</del> <u>45,017,000</u></b>
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Appropriations by Fund

	2024	2025
General	7,200,000	<del>4,889,000</del> <u>5,522,000</u>
Workers' Compensation	30,599,000	<del>32,390,000</del> <u>32,669,000</u>
Workforce Development	9,911,000	<del>6,765,000</del> <u>6,826,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions. The general fund base for this appropriation is ~~\$4,936,000~~ \$5,150,000 in fiscal year 2026 and ~~\$4,958,000~~ \$5,169,000 in fiscal year 2027 and each year thereafter. The workers compensation fund base is ~~\$32,749,000~~ \$32,892,000 in fiscal year 2026 and \$32,458,000 in fiscal year 2027 and each year thereafter. The workforce development fund base is ~~\$6,765,000~~ \$6,826,000 in fiscal year 2026 and each year thereafter.

Sec. 9. Laws 2023, chapter 53, article 19, section 2, subdivision 3, is amended to read:

Subd. 3. <b>Labor Standards</b>	6,520,000	<del>6,270,000</del> <u>6,964,000</u>
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Appropriations by Fund

General	4,957,000	<del>4,635,000</del> <u>5,268,000</u>
Workforce Development	1,563,000	<del>1,635,000</del> <u>1,696,000</u>

The general fund base for this appropriation is ~~\$4,682,000~~ \$4,896,000 in fiscal year 2026 and ~~\$4,704,000~~ \$4,915,000 in fiscal year 2027 and each year thereafter.

(a) \$2,046,000 each year is for wage theft prevention.



(b) \$1,563,000 the first year and ~~\$1,635,000~~ \$1,696,000 the second year are from the workforce development fund for prevailing wage enforcement.

(c) \$134,000 the first year and \$134,000 the second year are for outreach and enforcement efforts related to changes to the nursing mothers, lactating employees, and pregnancy accommodations law.

(d) \$661,000 the first year and \$357,000 the second year are to perform work for the Nursing Home Workforce Standards Board. The base for this appropriation is \$404,000 in fiscal year 2026 and \$357,000 in fiscal year 2027.

(e) \$225,000 the first year and \$169,000 the second year are for the purposes of the Safe Workplaces for Meat and Poultry Processing Workers Act.

(f) \$27,000 the first year is for the creation and distribution of a veterans' benefits and services poster under Minnesota Statutes, section 181.536.

(g) \$141,000 the second year is to inform and educate employers relating to Minnesota Statutes, section 181.960.

(h) \$56,000 the second year is for education and training related to employee misclassification. The base for this appropriation is \$70,000 in fiscal year 2026 and each fiscal year thereafter.

(i) From the general fund appropriation for this purpose, \$436,000 in the second year is available through June 30, 2027.

Sec. 10. Laws 2023, chapter 53, article 19, section 2, subdivision 5, is amended to read:

Subd. 5. <b>Workplace Safety</b>	8,644,000	<del>7,559,000</del> <u>7,838,000</u>
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#### Appropriations by Fund

General	2,000,000	-0-
Workers' Compensation	6,644,000	<del>7,559,000</del> <u>7,838,000</u>

The workers compensation fund base for this appropriation is ~~\$7,918,000~~ \$8,061,000 in fiscal year 2026 and \$7,627,000 in fiscal year 2027 and each year thereafter.

\$2,000,000 the first year is for the ergonomics safety grant program. This appropriation is available until June 30, 2026. This is a onetime appropriation.

Sec. 11. Laws 2023, chapter 53, article 19, section 4, is amended to read:

Sec. 4. <b>BUREAU OF MEDIATION SERVICES</b>	<b>\$3,707,000</b>	<b>\$3,789,000</b>
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~~(a) \$750,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041.~~

~~(b) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12 month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.~~

~~(c) \$47,000 each year is for rulemaking, staffing, and other costs associated with peace officer grievance procedures.~~

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

## ARTICLE 5 COMBATIVE SPORTS

Section 1. Minnesota Statutes 2023 Supplement, section 341.25, is amended to read:

### **341.25 RULES.**

(a) The commissioner may adopt rules that include standards for the physical examination and condition of combatants and referees.

(b) The commissioner may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of all combative sport contests and their manner, supervision, time, and place.

(c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(d) The most recent version of the Unified Rules of Boxing, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(e) The most recent version of the Unified Rules of Kickboxing and Unified Rules of Muay Thai, as promulgated by the Association of Boxing Commissions, ~~is~~ are incorporated by reference and made a part of this chapter except as qualified by this chapter and any applicable Minnesota Rules. In the event of a conflict between this chapter and ~~the Unified Rules~~ those rules, this chapter must govern. If a promoter seeks to hold a kickboxing event governed by a different set of kickboxing rules, the promoter must send the commissioner a copy of the rules under which the proposed bouts will be conducted at least 45 days before the event. The commissioner may approve or deny the use of the alternative rules at the commissioner's discretion. If the alternative rules are approved for an event, this chapter and any applicable Minnesota Rules, except of those incorporating the Unified Rules of Kickboxing and Unified Rules of Muay Thai, must govern if there is a conflict between the rules and Minnesota law.

Sec. 2. Minnesota Statutes 2023 Supplement, section 341.28, subdivision 5, is amended to read:

Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this chapter specifically states otherwise, contests or exhibitions for martial arts and amateur boxing are exempt from the requirements of this chapter and officials at these events are not required to be licensed under this chapter.

(b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth in subdivision 6 or 7, must be regulated by a nationally recognized organization approved by the commissioner. The organization must have a set of written standards, procedures, or rules used to sanction the combative sports it oversees.

(c) Any regulatory body overseeing a martial arts or amateur boxing event must submit bout results to the commissioner within 72 hours after the event. If the regulatory body issues suspensions, the regulatory body must submit to the commissioner a list of any suspensions resulting from the event within 72 hours after the event. Regulatory bodies that oversee combative sports or martial arts contests under subdivision 6 or 7 are not subject to this paragraph.

Sec. 3. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to read:

Subd. 7. **Regulatory authority; youth competition.** Combative sports or martial arts contests between individuals under the age of 18 years are exempt from the requirements of this chapter and officials at these events are not required to be licensed under this chapter. A contest under this subdivision must be regulated by (1) a widely recognized organization that regularly oversees youth competition, or (2) a local government.

Sec. 4. Minnesota Statutes 2022, section 341.29, is amended to read:

#### **341.29 JURISDICTION OF COMMISSIONER.**

The commissioner shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all combative sport contests that are held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter;

(3) grant a license to an applicant if, in the judgment of the commissioner, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest, ~~convenience, or necessity~~ and in the best interests of combative sports and conforms with this chapter and the commissioner's rules;

(4) deny, suspend, or revoke a license using the enforcement provisions of section 326B.082, except that the licensing reapplication time frames remain within the sole discretion of the commissioner; and

(5) serve final nonlicensing orders in performing the duties of this chapter which are subject to the contested case procedures provided in sections 14.57 to 14.69.

Sec. 5. Minnesota Statutes 2023 Supplement, section 341.30, subdivision 4, is amended to read:

Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's license to an individual, corporation, or other business entity, the applicant shall complete a licensing application on the Office of Combative Sports website or on forms prescribed by the commissioner and shall:

(1) show on the licensing application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(2) provide the commissioner with a copy of the latest financial statement of the applicant;

(3) provide proof, where applicable, of authorization to do business in the state of Minnesota; and

(4) deposit with the commissioner a surety bond in an amount set by the commissioner, which must not be less than \$10,000. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it.

(b) Before the commissioner issues a license to a combatant, the applicant shall:

(1) submit to the commissioner the results of current medical examinations on forms prescribed by the commissioner that state that the combatant is cleared to participate in a combative sport contest. The applicant must undergo and submit the results of the following medical examinations, which do not exempt a combatant from the requirements in section 341.33:

(i) a physical examination performed by a licensed medical doctor, doctor of osteopathic medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations are valid for one year from the date of the exam;

(ii) an ophthalmological examination performed by an ophthalmologist or optometrist that includes dilation designed to detect any retinal defects or other damage or a condition of the eye that could be aggravated by combative sports. Ophthalmological examinations are valid for one year from the date of the exam;

(iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C antibody), and HIV. Blood work results are good for one year from the date blood was drawn. The commissioner shall not issue a license to an applicant submitting positive test results for HBsAg, HCV, or HIV; and

(iv) other appropriate neurological or physical examinations before any contest, if the commissioner determines that the examination is desirable to protect the health of the combatant;

(2) complete a licensing application on the Office of Combative Sports website or on forms prescribed by the commissioner; and

(3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's license, state photo identification card, passport, or birth certificate combined with additional photo identification.

(c) Before the commissioner issues an amateur combatant license to an individual, the applicant must submit proof of qualifications that includes at a minimum: (1) an applicant's prior bout history and evidence showing that the applicant has completed at least six months of training in a combative sport; or (2) a letter of recommendation from a coach or trainer.

(d) Before the commissioner issues a professional combatant license to an individual, the applicant must submit proof of qualifications that includes an applicant's prior bout history showing the applicant has competed in at least four sanctioned combative sports contests. If the applicant has not competed in at least four sanctioned combative sports contests, the commissioner may still grant the applicant a license if the applicant provides evidence demonstrating that the applicant has sufficient skills and experience in combative sports or martial arts to compete as a professional combatant.

~~(e)~~ (e) Before the commissioner issues a license to a referee, judge, or timekeeper, the applicant must submit proof of qualifications that may include certified training from the Association of Boxing Commissions, licensure with other regulatory bodies, professional references, or a log of bouts worked.

~~(f)~~ (f) Before the commissioner issues a license to a ringside physician, the applicant must submit proof that they are licensed to practice medicine in the state of Minnesota and in good standing.

Sec. 6. Minnesota Statutes 2023 Supplement, section 341.321, is amended to read:

**341.321 FEE SCHEDULE.**

(a) The fee schedule for professional and amateur licenses issued by the commissioner is as follows:

- (1) referees, \$25;
- (2) promoters, \$700;
- (3) judges and knockdown judges, \$25;
- (4) trainers and seconds, \$40;
- (5) timekeepers, \$25;
- (6) professional combatants, \$70;
- (7) amateur combatants, \$35; and
- (8) ringside physicians, \$25.

All license fees shall be paid no later than the weigh-in prior to the contest. No license may be issued until all precensure requirements in section 341.30 are satisfied and fees are paid.

(b) A promoter or event organizer of an event regulated by the Department of Labor and Industry must pay, per event, a combative sport contest fee of:

(c) If the promoter sells tickets for the event, the event fee is \$1,500 per event or four percent of the gross ticket sales, whichever is greater. The fee must be paid as follows:

- (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;
- (2) \$1,000 at the weigh-in prior to the contest;
- (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to the commissioner within 14 days of the completed contest; and
- (4) the value of all complimentary tickets distributed for an event, to the extent they exceed five percent of total event attendance, counts toward gross tickets sales for the purposes of determining a combative sports contest fee. For purposes of this clause, the lowest advertised ticket price shall be used to calculate the value of complimentary tickets.

(d) If the promoter does not sell tickets and receives only a flat payment from a venue to administer the event, the event fee is \$1,500 per event or four percent of the flat payment, whichever is greater. The fee must be paid as follows:

- (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;
- (2) \$1,000 at the weigh-in prior to the contest; and

(3) if four percent of the flat payment is greater than \$1,500, the balance is due to the commissioner within 14 days of the completed contest.

~~(e)~~ (e) All fees and penalties collected by the commissioner must be deposited in the commissioner account in the special revenue fund.

Sec. 7. Minnesota Statutes 2023 Supplement, section 341.33, is amended by adding a subdivision to read:

Subd. 3. **Medical records.** The commissioner may, if the commissioner determines that doing so would be desirable to protect the health of a combatant, provide the combatant's medical information collected under this chapter to the physician conducting a prebout exam under this section or to the ringside physician or physicians assigned to the combatant's combative sports contest.

Sec. 8. **[341.352] DATA PRIVACY.**

All health records collected, created, or maintained under this chapter are private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 9. Minnesota Statutes 2023 Supplement, section 341.355, is amended to read:

#### **341.355 CIVIL PENALTIES.**

When the commissioner finds that a person has violated one or more provisions of any statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both. The commissioner may also impose these penalties against a person who has violated section 341.28, subdivision 5, paragraph (b) or (c), or subdivision 7.

### ARTICLE 6 CONSTRUCTION CODES AND LICENSING

Section 1. Minnesota Statutes 2023 Supplement, section 326B.106, subdivision 1, is amended to read:

Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the Construction Codes Advisory Council establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must also include duties and responsibilities for code administration, including procedures for administrative action, penalties, and suspension and revocation of certification. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the provisions of those sections.

(b) The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 326B.194. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

(c) Beginning with the 2018 edition of the model building codes and every six years thereafter, the commissioner shall review the new model building codes and adopt the model codes as amended for use in Minnesota, within two years of the published edition date. The commissioner may adopt amendments to the building codes prior to the adoption of the new building codes to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or the use of a building.

(d) Notwithstanding paragraph (c), the commissioner shall act on each new model residential energy code and the new model commercial energy code in accordance with federal law for which the United States Department of Energy has issued an affirmative determination in compliance with United States Code, title 42, section 6833. The commissioner may adopt amendments prior to adoption of the new energy codes, as amended for use in Minnesota, to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or use of a building.

(e) Beginning in 2024, the commissioner shall act on the new model commercial energy code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard. The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that incrementally move toward achieving the 80 percent reduction in annual net energy consumption. By January 15 of the year following each new code adoption, the commissioner shall make a report on progress under this section to the legislative committees with jurisdiction over the energy code.

(f) Nothing in this section shall be interpreted to limit the ability of a public utility to offer code support programs, or to claim energy savings resulting from such programs, through its 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.

(g) Beginning in 2026, the commissioner shall act on the new model residential energy code by adopting each new published edition of the International Energy Conservation Code or a more efficient standard. The residential energy code in effect in 2038 and thereafter must achieve a 70 percent reduction in annual net energy consumption or greater, using the 2006 International Energy Conservation Code State Level Residential Codes Energy Use Index for Minnesota, as published by the United States Department of Energy's Building Energy Codes Program, as a baseline. The commissioner shall adopt residential energy codes from 2026 to 2038 that incrementally move toward achieving the 70 percent reduction in annual net energy consumption. By January 15 of the year following each new code adoption, the commissioner shall submit a report on progress under this section to the legislative committees with jurisdiction over the energy code.

Sec. 2. Minnesota Statutes 2022, section 326B.89, subdivision 5, is amended to read:

Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than ~~\$75,000~~ \$100,000 per licensee. The commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than \$550,000 per licensee. The commissioner shall only pay compensation from the fund for a final judgment that is based on a contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that requires licensure as a residential building contractor or residential remodeler.

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

ARTICLE 7  
BUREAU OF MEDIATION SERVICES

Section 1. Minnesota Statutes 2022, section 626.892, subdivision 10, is amended to read:

Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section must complete training as required by the commissioner during the person's appointment. At a minimum, an initial training must include:

(1) at least six hours on the topics of cultural competency, racism, implicit bias, and recognizing and valuing community diversity and cultural differences; and

(2) at least six hours on topics related to the daily experience of peace officers, which may include ride-alongs with on-duty officers or other activities that provide exposure to the environments, choices, and judgments required of officers in the field.

(b) The commissioner may adopt rules establishing training requirements consistent with this subdivision.

~~(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required initial training by July 1, 2021.~~ (c) An arbitrator appointed to the roster of arbitrators after 2020 must complete the required initial training within six months of the arbitrator's appointment.

~~(e)~~ (d) The Bureau of Mediation Services must pay for all costs associated with the required training ~~must be borne by the arbitrator.~~

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

Sec. 2. **REPEALER.**

(a) Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85, are repealed.

(b) Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120, subparts 1, 2, 3, 4, 5, 6, and 7; 5520.0200; 5520.0250, subparts 1, 2, and 4; 5520.0300; 5520.0500, subparts 1, 2, 3, 4, 5, and 6; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; and 5520.0800, are repealed.

ARTICLE 8  
PUBLIC EMPLOYEE LABOR RELATIONS (PELRA)

Section 1. Minnesota Statutes 2023 Supplement, section 13.43, subdivision 6, is amended to read:

Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public Employment Relations Board.** (a) Notwithstanding classification by any other provision of this chapter upon request from an exclusive representative, personnel data must be disseminated to labor organizations and the Public Employment Relations Board to the extent necessary to conduct elections, investigate and process grievances, and implement the provisions of chapters 179 and 179A.

(b) Personnel data shall be disseminated to labor organizations, the Public Employment Relations Board, and the Bureau of Mediation Services to the extent the dissemination is ordered or authorized by the commissioner of the Bureau of Mediation Services or the Public Employment Relations Board or its employees or agents. Employee Social Security numbers are not necessary to implement the provisions of chapters 179 and 179A.



~~(b)~~ (c) Personnel data described under section 179A.07, subdivision 8, must be disseminated to an exclusive representative under the terms of that subdivision.

~~(e)~~ (d) An employer who disseminates personnel data to a labor organization pursuant to this subdivision shall not be subject to liability under section 13.08. Nothing in this paragraph shall impair or limit any remedies available under section 325E.61.

~~(d)~~ (e) The home addresses, nonemployer issued phone numbers and email addresses, dates of birth, and emails or other communications between exclusive representatives and their members, prospective members, and nonmembers are private data on individuals.

Sec. 2. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (1) elected public officials;
- (2) election officers;
- (3) commissioned or enlisted personnel of the Minnesota National Guard;
- (4) emergency employees who are employed for emergency work caused by natural disaster;
- (5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;
- (6) employees, other than those working in a school as a paraprofessional or other noninstructional position, whose positions are basically temporary or seasonal in character and:—(i) are not for more than 67 working days in any calendar year; (ii) are not working for a Minnesota school district or charter school; or (iii) are not for more than 100 working days in any calendar year and the employees are.
- (7) full-time students under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, excluding employment by the Board of Regents of the University of Minnesota, whose positions are temporary or seasonal in character and are not for more than 100 working days in any calendar year, and who have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;
- ~~(7)~~ (8) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;
- ~~(8)~~ (9) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;
- ~~(9)~~ (10) full-time undergraduate students employed by the school, excluding employment by the Board of Regents of the University of Minnesota, which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;

~~(40)~~ (11) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

~~(44)~~ (12) with respect to court employees:

(i) personal secretaries to judges;

(ii) law clerks;

(iii) managerial employees;

(iv) confidential employees; and

(v) supervisory employees; or

~~(42)~~ (13) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(b) The following individuals are public employees regardless of the exclusions of paragraph (a), clauses (5) to ~~(7)~~ (8) and (10):

(1) an employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), ~~item (i)~~, if that same position has already been filled under paragraph (a), clause (6), ~~item (i)~~, in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position;

(3) an early childhood family education teacher employed by a school district; ~~and~~

(4) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities or the University of Minnesota as the instructor of record to teach (i) one class for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a fiscal year; and

(5) an individual who: (i) is paid by the Board of Regents of the University of Minnesota for work performed at the direction of the university or any of its employees or contractors; and (ii) is enrolled in three or more university credit-bearing classes or one semester as a full-time student or postdoctoral fellow during the fiscal year in which the work is performed. For purposes of this section, work paid by the university includes but is not limited to work that is required as a condition of receiving a stipend or tuition benefit, whether or not the individual also receives educational benefit from performing that work. Individuals who perform supervisory functions in regard to any individuals who are employees under this clause are not considered supervisory employees for the purpose of section 179A.06, subdivision 2.

Sec. 3. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 18, is amended to read:

Subd. 18. **Teacher.** "Teacher" means any public employee other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisory or confidential employee, employed by a school district:

(1) in a position for which the person must be licensed by the Professional Educator Licensing and Standards Board or the commissioner of education;

(2) in a position as a physical therapist, occupational therapist, art therapist, music therapist, or audiologist; or

(3) in a position creating and delivering instruction to children in a preschool, school readiness, school readiness plus, or prekindergarten program or other school district or charter school-based early education program, except that ~~an employee~~ employees in a bargaining unit certified before January 1, 2023, may remain in a bargaining unit that does not include teachers unless an exclusive representative files a petition for a unit clarification on the status of a preschool, school readiness, school readiness plus, or prekindergarten program or other school district or charter school-based early education program position ~~or to transfer exclusive representative status.~~

Sec. 4. Minnesota Statutes 2022, section 179A.041, subdivision 2, is amended to read:

Subd. 2. **Alternate members.** (a) The appointing authorities shall appoint alternate members to serve ~~only~~ in the ~~case event~~ of a member having a conflict of interest or being unavailable for a meeting under subdivision 9, as follows:

(1) one alternate, appointed by the governor, who is an officer or employee of an exclusive representative of public employees, to serve as an alternate to the member appointed by the governor who is an officer or employee of an exclusive representative of public employees. This alternate must not be an officer or employee of the same exclusive representative of public employees as the member for whom the alternate serves;

(2) one alternate, appointed by the governor, who is a representative of public employers, to serve as an alternate to the member appointed by the governor who is a representative of public employers. This alternate must not represent the same public employer as the member for whom the alternate serves; and

(3) one alternate, appointed by the member who is an officer or employee of an exclusive representative of public employees and the member who is a representative of public employers, who is not an officer or employee of an exclusive representative of public employees, or a representative of a public employer, to serve as an alternate for the member that represents the public at large.

(b) Each alternate member shall serve a term that is coterminous with the term of the member for whom the alternate member serves as an alternate.

Sec. 5. Minnesota Statutes 2023 Supplement, section 179A.041, subdivision 10, is amended to read:

Subd. 10. **Open Meeting Law; exceptions.** Chapter 13D does not apply to ~~meetings of the~~ a board meeting when ~~it the board~~ is:

(1) deliberating on the merits of an unfair labor practice ~~charges~~ charge under sections 179.11, 179.12, and 179A.13;

(2) reviewing a hearing officer's recommended decision and order ~~of a hearing officer~~ under section 179A.13; or

(3) reviewing ~~decisions of the~~ a commissioner of the Bureau of Mediation Services relating to decision on an unfair labor ~~practices~~ practice under section 179A.12, subdivision 11.

Sec. 6. Minnesota Statutes 2023 Supplement, section 179A.06, subdivision 6, is amended to read:

Subd. 6. **Payroll deduction, authorization, and remittance.** (a) ~~Public employees have the right to~~ A public employee may request and be allowed payroll deduction for the exclusive representative ~~that represents the employee's position and the its associated political fund associated with the exclusive representative and registered pursuant to~~ under section 10A.12. If no exclusive representative represents an employee's position, the public employee may request payroll deduction for the organization of the employee's choice. A public employer must provide payroll deduction according to any public employee's request under this paragraph.

(b) A public employer must rely on a certification from ~~any~~ an exclusive representative requesting remittance of a deduction that the organization has and will maintain an authorization; signed, ~~either by hand or electronically according to section 325L.02, paragraph (h),~~ by the public employee from whose salary or wages the deduction is to be made, ~~which may include an electronic signature by the public employee as defined in section 325L.02, paragraph (h).~~ An exclusive representative making such a certification ~~must not be~~ is not required to provide the public employer a copy of the authorization unless a dispute arises about the authorization's existence or terms ~~of the authorization. The exclusive representative must indemnify the public employer for any successful claims made by the employee for unauthorized deductions in reliance on the certification.~~

~~(b) (c)~~ (c) A ~~dues~~ payroll deduction authorization ~~remains in effect~~ is effective until the exclusive representative ~~notifies the employer receives notice from the exclusive representative that a public employee has changed or canceled their the employee's authorization in writing in accordance with the terms of the original authorizing document, and authorization. When determining whether deductions have been properly changed or canceled,~~ a public employer must rely on information from the exclusive representative receiving remittance of the deduction ~~regarding whether the deductions have been properly changed or canceled. The exclusive representative must indemnify the public employer, including any reasonable attorney fees and litigation costs, for any successful claims made by the employee for unauthorized deductions made in reliance on such information.~~

~~(e) (d)~~ Deduction authorization under this section is;

(1) independent from the public employee's membership status in the organization to which payment is remitted; ~~and is~~

(2) effective regardless of whether a collective bargaining agreement authorizes the deduction.

~~(d) Employers~~ (e) An employer must ~~commence;~~

(1) begin deductions within 30 days ~~of notice of authorization from the~~ after an exclusive representative submits a certification under paragraph (b); and must

(2) remit the deductions to the exclusive representative within 30 days of the deduction. ~~The failure of an employer to comply with the provisions of this paragraph shall be an unfair labor practice under section 179A.13, the relief for which shall be reimbursement by the employer of deductions that should have been made or remitted based on a valid authorization given by the employee or employees.~~

~~(e) In the absence of an exclusive representative, public employees have the right to request and be allowed payroll deduction for the organization of their choice.~~

(f) An exclusive representative must indemnify a public employer:

(1) for any successful employee claim for unauthorized employer deductions made by relying on an exclusive representative's certification under paragraph (b); and

(2) for any successful employee claim for unauthorized employer deductions made by relying on information for changing or canceling deductions under paragraph (c), with indemnification including any reasonable attorney fees and litigation costs.

~~(f)~~ (g) Any dispute under this subdivision must be resolved through an unfair labor practice proceeding under section 179A.13. It is an unfair labor practice if an employer fails to comply with paragraph (e), and the employer must reimburse deductions that should have been made or remitted based on a valid authorization given by the employee or employees.

Sec. 7. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 8, is amended to read:

Subd. 8. **Bargaining unit information.** (a) Within 20 calendar days ~~from the date of hire of~~ after a bargaining unit employee is hired, a public employer must provide the following ~~contact~~ information on the employee to an the unit's exclusive representative or its affiliate in an Excel file format or other format agreed to by the exclusive representative:

(1) name;

(2) job title;

(3) worksite location, including location ~~within~~ in a facility when appropriate;

(4) home address;

(5) work telephone number;

(6) home and personal cell phone numbers on file with the public employer;

(7) date of hire; and

(8) work email address and personal email address on file with the public employer.

(b) Every 120 calendar days ~~beginning on January 1, 2024,~~ a public employer must provide to ~~an a bargaining unit's~~ exclusive representative in an Excel file or similar format agreed to by the exclusive representative the following information under paragraph (a) for all bargaining unit employees: ~~name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the public employer; date of hire; and work email address and personal email address on file with the public employer.~~

(c) ~~A public employer must notify an exclusive representative within 20 calendar days of the separation of~~ If a bargaining unit employee separates from employment or transfer transfers out of the bargaining unit of a bargaining unit employee, the employee's public employer must notify the employee's exclusive representative within 20 calendar days after the separation or transfer, including whether the unit departure was due to a transfer, promotion, demotion, discharge, resignation, or retirement.

Sec. 8. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 9, is amended to read:

Subd. 9. **Access.** (a) A public employer must allow an exclusive representative or the representative's agent to meet in person with a newly hired employees, without charge to the pay or leave time of the employees, for 30 minutes, employee within 30 calendar days from the date of hire, during new employee orientations or, if the employer does not conduct new employee orientations, at individual or group meetings arranged by the employer in

coordination with the exclusive representative or the representative's agent during the newly hired employees' regular working hours. For an orientation or meeting under this paragraph, an employer must allow the employee and exclusive representative up to 30 minutes to meet and must not charge the employee's pay or leave time during the orientation or meeting, or the pay or leave time of an employee of the public employer acting as an agent of the exclusive representative using time off under subdivision 6. An orientation or meeting may be held virtually or for longer than 30 minutes only by mutual agreement of the employer and exclusive representative.

(b) An exclusive representative ~~shall~~ must receive ~~no less than~~ at least ten days' notice ~~in advance~~ of an orientation, ~~except that but~~ a shorter notice may be provided ~~where~~ if there is an urgent need critical to the ~~employer's operations of the public employer~~ that was not reasonably foreseeable. Notice of and attendance at new employee orientations and other meetings under this paragraph ~~must be~~ and paragraph (a) are limited to ~~the public employer;~~

(1) the employees;

(2) the exclusive representative; ~~and;~~

(3) any vendor contracted to provide a service for ~~purposes of the meeting. Meetings may be held virtually or for longer than 30 minutes;~~ and

(4) the public employer or its designee, who may attend only by mutual agreement of the public employer and exclusive representative.

~~(b)~~ (c) A public employer must allow an exclusive representative to communicate with bargaining unit members ~~using their employer-issued email addresses regarding~~ by email on:

(1) collective bargaining;

(2) the administration of collective bargaining agreements;

(3) the investigation of grievances; and other workplace-related complaints and issues; and

(4) internal matters involving the governance or business of the exclusive representative; ~~consistent with the employer's generally applicable technology use policies.~~

(d) An exclusive representative may communicate with bargaining unit members under paragraph (c) via the members' employer-issued email addresses, but the communication must be consistent with the employer's generally applicable technology use policies.

~~(e)~~ (e) A public employer must allow an exclusive representative to meet with bargaining unit members in facilities owned or leased by the public employer ~~regarding~~ to communicate on:

(1) collective bargaining;

(2) the administration of collective bargaining agreements;

(3) the investigation of grievances and other workplace-related complaints and issues; and

(4) internal matters involving the governance or business of the exclusive representative; ~~provided the use does not interfere with governmental operations and the exclusive representative complies with worksite security protocols established by the public employer. Meetings conducted.~~

(f) The following applies for a meeting under paragraph (e):

(1) a meeting cannot interfere with government operations;

(2) the exclusive representative must comply with employer-established worksite security protocols;

(3) a meeting in a government building pursuant to this paragraph must not be for the purpose of supporting or opposing any candidate for partisan political office or for the purpose of distributing literature or information regarding on partisan elections; and

(4) an exclusive representative conducting a meeting in a government building or other government facility pursuant to this subdivision may be charged for maintenance, security, and other costs related to the use of using the government building or facility that would not otherwise be incurred by the government entity.

Sec. 9. Minnesota Statutes 2022, section 179A.09, is amended by adding a subdivision to read:

Subd. 4. **Unit mergers.** Upon the request of an exclusive representative for bargaining units other than those defined in section 179A.10, subdivision 2, the commissioner must designate as a single unit two bargaining units represented by the exclusive representative, subject to subdivision 2 as well as any other statutory bargaining unit designation.

Sec. 10. Minnesota Statutes 2022, section 179A.09, is amended by adding a subdivision to read:

Subd. 5. **Position classifications.** For the purpose of determining whether a new position should be included in an existing bargaining unit, the position shall be analyzed with respect to its assigned duties, without regard to title or telework status.

Sec. 11. Minnesota Statutes 2023 Supplement, section 179A.10, subdivision 2, is amended to read:

Subd. 2. **State employees.** (a) Unclassified employees, unless otherwise excluded, are included within the units ~~which that~~ include the classifications to which they are assigned for purposes of compensation. Supervisory employees ~~shall only can~~ be assigned only to ~~units~~ unit 12 and or 16. The following units are the appropriate units of executive branch state employees:

(1) law enforcement unit;

(2) craft, maintenance, and labor unit;

(3) service unit;

(4) health care nonprofessional unit;

(5) health care professional unit;

(6) clerical and office unit;

(7) technical unit;

(8) correctional guards unit;

(9) state university instructional unit;

- (10) state college instructional unit;
- (11) state university administrative unit;
- (12) professional engineering unit;
- (13) health treatment unit;
- (14) general professional unit;
- (15) professional state residential instructional unit;
- (16) supervisory employees unit;
- (17) public safety radio communications operator unit;
- (18) licensed peace officer special unit; and
- (19) licensed peace officer leader unit.

~~Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to August 1, 1984, as required by law or as provided in subdivision 4.~~

(b) The following positions are included in the licensed peace officer special unit:

- (1) State Patrol lieutenant;
- (2) NR district supervisor - enforcement;
- (3) assistant special agent in charge;
- (4) corrections investigation assistant director 2;
- (5) corrections investigation supervisor; and
- (6) commerce supervisor special agent.

(c) The following positions are included in the licensed peace officer leader unit:

- (1) State Patrol captain;
- (2) NR program manager 2 enforcement; and
- (3) special agent in charge.

(d) Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may make changes in the schedule in existence on the day before August 1, 1984, only:

- (1) as required by law; or
- (2) as provided in subdivision 4.



Sec. 12. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 2a, is amended to read:

Subd. 2a. **Majority verification procedure.** (a) ~~Notwithstanding any other provision of this section,~~ An employee organization may file a petition with the commissioner requesting certification as the exclusive representative of ~~an a proposed~~ appropriate unit ~~based on a verification that~~ for which there is no currently certified exclusive representative. The petition must include over 50 percent of the employees in the proposed appropriate unit who wish to be represented by the petitioner organization. ~~The commissioner shall require dated representation authorization signatures of affected employees as verification of the employee organization's claim of majority status.~~

(b) ~~Upon receipt of an employee organization's petition, accompanied by employee authorization signatures under this subdivision, the commissioner shall investigate the petition.~~ If the commissioner determines that over 50 percent of the employees in ~~an the~~ appropriate unit have provided authorization signatures designating the petitioning employee organization ~~specified in the petition~~ as their exclusive representative, the commissioner ~~shall not order an election but shall~~ must certify the employee organization as the employees' exclusive representative without ordering an election under this section.

Sec. 13. Minnesota Statutes 2022, section 179A.12, subdivision 5, is amended to read:

Subd. 5. **Commissioner to investigate.** ~~The commissioner shall,~~ Upon receipt of an employee organization's receiving a petition ~~to the commissioner~~ under subdivision 3 1a or 2a, the commissioner must:

- (1) investigate to determine if sufficient evidence of a question of representation exists; and
- (2) hold hearings necessary to determine the appropriate unit and other matters necessary to determine the representation rights of the affected employees and employer.

Sec. 14. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 6, is amended to read:

Subd. 6. **Authorization signatures.** ~~In (a) When~~ determining the numerical status of an employee organization for purposes of this section, the commissioner ~~shall must~~ require a dated representation authorization signatures of affected employees signature of each affected employee as verification of the statements contained in the ~~joint request or petitions petition.~~ These

(b) ~~An~~ authorization ~~signatures shall be~~ signature is privileged and confidential information available to the commissioner only. ~~An~~ electronic ~~signatures~~ signature, as defined in section 325L.02, paragraph (h), ~~shall be is~~ valid as an authorization ~~signatures~~ signature.

(c) ~~An~~ authorization ~~signatures shall be~~ signature is valid for ~~a period of~~ one year following the signature date ~~of signature.~~

Sec. 15. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 11, is amended to read:

Subd. 11. **Unfair labor practices.** The commissioner may void the result of an election or majority verification procedure and order a new election or procedure if the commissioner finds that one of the following:

- (1) there was an unfair labor practice that:
  - (i) was committed by an employer ~~or, a~~ representative candidate ~~or, an~~ employee, or a group of employees; and ~~that the unfair labor practice~~

(ii) affected the result of ~~an~~ the election or the majority verification procedure ~~pursuant to subdivision 2a, or that~~

(2) procedural or other irregularities in the conduct of the election or majority verification procedure may have substantially affected ~~its~~ the results, ~~the commissioner may void the result and order a new election or majority verification procedure.~~

Sec. 16. Minnesota Statutes 2022, section 179A.13, subdivision 1, is amended to read:

Subdivision 1. **Actions.** (a) The practices specified in this section are unfair labor practices. Any employee, employer, employee or employer organization, exclusive representative, or any other person or organization aggrieved by an unfair labor practice as defined in this section may file an unfair labor practice charge with the board.

(b) Whenever it is charged that any party has engaged in or is engaging in any unfair labor practice, an investigator designated by the board shall promptly conduct an investigation of the charge. Unless after the investigation the board finds that the charge has no reasonable basis in law or fact, the board shall promptly issue a complaint and cause to be served upon the party a complaint stating the charges, accompanied by a notice of hearing before a qualified hearing officer designated by the board at the offices of the bureau or other location as the board deems appropriate, ~~not less than five days nor more than 20 days~~ more than 30 days after serving the complaint ~~absent mutual agreement of the parties~~, provided that no complaint shall be issued based upon any unfair labor practice occurring more than six months prior to the filing of a charge. A complaint issued under this subdivision may be amended by the board at any time prior to the issuance of an order based thereon. The party who is the subject of the complaint has the right to file an answer to the original or amended complaint prior to hearing and to appear in person or by a representative and give testimony at the place and time fixed in the complaint. In the discretion of the hearing officer conducting the hearing or the board, any other party may be allowed to intervene in the proceeding and to present testimony. The board or designated hearing officers shall not be bound by the rules of evidence applicable to courts, except as to the rules of privilege recognized by law.

(c) Designated investigators must conduct the investigation of charges.

(d) Hearing officers ~~must be licensed to practice law in the state of Minnesota~~ have a juris doctor and must conduct the hearings and issue recommended decisions and orders.

(e) The board or its designees shall have the power to issue subpoenas and administer oaths. If any party willfully fails or neglects to appear or testify or to produce books, papers, and records pursuant to the issuance of a subpoena, the board may apply to a court of competent jurisdiction to request that the party be ordered to appear to testify or produce the requested evidence.

(f) A full and complete record shall be kept of all proceedings before the board or designated hearing officer and shall be transcribed by a reporter appointed by the board.

(g) The party on whom the burden of proof rests shall be required to sustain the burden by a preponderance of the evidence.

(h) At any time prior to the close of a hearing, the parties may by mutual agreement request referral to mediation, at which time the commissioner shall appoint a mediator, and the hearing shall be suspended pending the results of the mediation.

(i) If, upon a preponderance of the evidence taken, the hearing officer determines that any party named in the charge has engaged in or is engaging in an unfair labor practice, then a recommended decision and order shall be issued stating findings of fact and conclusions, and requiring the party to cease and desist from the unfair labor practice, to post a cease-and-desist notice in the workplace, and ordering any appropriate relief to effectuate the

policies of this section, including but not limited to reinstatement, back pay, and any other remedies that make a charging party whole. If back pay is awarded, the award must include interest at the rate of seven percent per annum. The order further may require the party to make reports from time to time, and demonstrate the extent to which the party has complied with the order.

(j) If there is no preponderance of evidence that the party named in the charge has engaged in or is engaging in the unfair labor practice, then the hearing officer shall issue a recommended decision and order stating findings of fact and dismissing the complaint.

(k) Parties may file exceptions to the hearing officer's recommended decision and order with the board no later than 30 days after service of the recommended decision and order. The board shall review the recommended decision and order upon timely filing of exceptions or upon its own motion. If no timely exceptions have been filed, the parties must be deemed to have waived their exceptions. Unless the board reviews the recommended decision and order upon its own motion, it must not be legal precedent and must be final and binding only on the parties to the proceeding as issued in an order issued by the board. If the board does review the recommended decision and order, the board may adopt all, part, or none of the recommended decision and order, depending on the extent to which it is consistent with the record and applicable laws. The board shall issue and serve on all parties its decision and order. The board shall retain jurisdiction over the case to ensure the parties' compliance with the board's order. Unless overturned by the board, the parties must comply with the recommended decision and order.

(l) Until the record has been filed in the court of appeals or district court, the board at any time, upon reasonable notice and in a manner it deems appropriate, may modify or set aside, in whole or in part, any finding or order made or issued by it.

(m) Upon a final order that an unfair labor practice has been committed, the board or the charging party may petition the district court for the enforcement of the order and for appropriate temporary relief or a restraining order. When the board petitions the court, the charging party may intervene as a matter of right.

(n) Whenever it appears that any party has violated a final order of the board issued pursuant to this section, the board must petition the district court for an order directing the party and its officers, agents, servants, successors, and assigns to comply with the order of the board. The board shall be represented in this action by its general counsel, who has been appointed by the board. The court may grant or refuse, in whole or in part, the relief sought, provided that the court also may stay an order of the board pending disposition of the proceedings. The court may punish a violation of its order as in civil contempt.

(o) The board shall have power, upon issuance of an unfair labor practice complaint alleging that a party has engaged in or is engaging in an unfair labor practice, to petition the district court for appropriate temporary relief or a restraining order. Upon the filing of any such petition, the court shall cause notice thereof to be served upon such parties, and thereupon shall have jurisdiction to grant to the board or commissioner temporary relief or a restraining order as it deems appropriate. Nothing in this paragraph precludes a charging party from seeking injunctive relief in district court after filing the unfair labor practice charge.

(p) The proceedings in paragraphs (m), (n), and (o) shall be commenced in the district court for the county in which the unfair labor practice which is the subject of the order or administrative complaint was committed, or where a party alleged to have committed the unfair labor practice resides or transacts business.

Sec. 17. Minnesota Statutes 2022, section 179A.13, subdivision 2, is amended to read:

Subd. 2. **Employers.** Public employers, their agents and representatives are prohibited from:

(1) interfering, restraining, or coercing employees in the exercise of the rights guaranteed in sections 179A.01 to 179A.25;

(2) dominating or interfering with the formation, existence, or administration of any employee organization or contributing other support to it;

(3) discriminating in regard to hire or tenure to encourage or discourage membership in an employee organization;

(4) discharging or otherwise discriminating against an employee because the employee has signed or filed an affidavit, petition, or complaint or given information or testimony under sections 179A.01 to 179A.25;

(5) refusing to meet and negotiate in good faith with the exclusive representative of its employees in an appropriate unit;

(6) refusing to comply with grievance procedures contained in an agreement;

(7) distributing or circulating a blacklist of individuals exercising a legal right or of members of a labor organization for the purpose of preventing blacklisted individuals from obtaining or retaining employment;

(8) violating rules established by the commissioner regulating the conduct of representation elections;

(9) refusing to comply with a valid decision of a binding arbitration panel or arbitrator;

(10) violating or refusing to comply with any lawful order or decision issued by the commissioner or the board;

(11) refusing to provide, upon the request of the exclusive representative, all information pertaining to the public employer's budget both present and proposed, revenues, and other financing information provided that in the executive branch of state government this clause may not be considered contrary to the budgetary requirements of sections 16A.10 and 16A.11; ~~or~~

(12) granting or offering to grant the status of permanent replacement employee to a person for performing bargaining unit work for the employer during a lockout of employees in an employee organization or during a strike authorized by an employee organization that is an exclusive representative;

(13) failing or refusing to provide information that is relevant to enforcement or negotiation of a contract as soon as reasonable after receiving a request by an exclusive representative, not to exceed 30 days for information relevant to contract enforcement or 60 days for information relevant to contract negotiation absent mutual agreement by the parties, provided that a state agency may request and the commissioner may extend these timelines based upon estimated need and after consultation with the exclusive representative; or

(14) refusing to reassign a position after the commissioner has determined the position was not placed into the correct bargaining unit.

Sec. 18. Minnesota Statutes 2022, section 179A.40, subdivision 1, is amended to read:

Subdivision 1. **Units.** The following are the appropriate employee units of the Hennepin Healthcare System, Inc. All units shall exclude supervisors, managerial employees, and confidential employees. No additional units of Hennepin Healthcare System, Inc., shall be eligible to be certified for the purpose of meeting and negotiating with an exclusive representative. The units include all:

- (1) registered nurses;
- (2) physicians except those employed as interns, residents, or fellows;
- (3) professionals except for registered nurses and physicians;
- (4) technical and paraprofessional employees;
- (5) carpenters, electricians, painters, and plumbers;
- (6) health general service employees;
- (7) interpreters;
- (8) emergency medical technicians/emergency medical dispatchers (EMT/EMD), and paramedics;
- (9) bioelectronics specialists, bioelectronics technicians, and electronics technicians;
- (10) skilled maintenance employees; ~~and~~
- (11) clerical employees; ~~and~~
- (12) physicians employed as interns, residents, and fellows.

Sec. 19. Minnesota Statutes 2022, section 179A.54, subdivision 5, is amended to read:

Subd. 5. ~~**Legislative action on Collective bargaining agreements.** Any agreement reached between the state and the exclusive representative of individual providers under chapter 179A shall be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22. The commissioner of management and budget is authorized to enter into and implement agreements, including interest arbitration decisions, with the exclusive representative of individual providers as provided in section 179A.22, subdivision 4, except for terms and conditions requiring appropriations, changes to state law, or approval from the federal government which shall be contingent upon and executed following receipt of appropriations and state and federal approval.~~

Sec. 20. **RULEMAKING.**

The commissioner of the Bureau of Mediation Services must adopt rules on petitions for majority verification, including technical changes needed for consistency with Minnesota Statutes, section 179A.12, and the commissioner may use the expedited rulemaking process under Minnesota Statutes, section 14.389.

Sec. 21. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 179A.12, subdivision 3, as Minnesota Statutes, section 179A.12, subdivision 1a.

ARTICLE 9  
MISCELLANEOUS LABOR PROVISIONS

Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, as amended by Laws 2024, chapter 85, section 15, is amended to read:

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

(b) "Economic development" means financial assistance provided to a person directly or to a local unit of government or nonprofit organization on behalf of a person who is engaged in the manufacture or sale of goods and services. Economic development does not include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance for new housing construction in which total financial assistance at a single project site is less than \$100,000; or (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units. For purposes of this paragraph, "affordable homeownership" means housing targeted at households with incomes, at initial occupancy, at or below 115 percent of the state or area median income, whichever is greater, as determined by the United States Department of Housing and Urban Development.

(c) "Financial assistance" means (1) a grant awarded by a state agency or allocating agency for economic development related purposes if a single business receives \$200,000 or more of the grant proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency or allocating agency for economic development related purposes if a single business receives \$500,000 or more of the loan proceeds; or (3) a reduction, credit, or abatement of a tax assessed under chapter 297A where the tax reduction, credit, or abatement applies to a geographic area smaller than the entire state and was granted for economic development related purposes; or (4) allocations or awards of low-income housing credits by all allocating agencies as provided in section 462A.222, for which tax credits are used for multifamily housing projects consisting of more than ten units. Financial assistance does not include payments by the state of aids and credits under chapter 273 or 477A to a political subdivision.

(d) "Project site" means the location where improvements are made that are financed in whole or in part by the financial assistance; or the location of employees that receive financial assistance in the form of employment and training services as defined in section 116L.19, subdivision 4, or customized training from a technical college.

(e) "State agency" means any agency defined under section 16B.01, subdivision 2, Enterprise Minnesota, Inc., and the Department of Iron Range Resources and Rehabilitation.

(f) "Allocating agency" has the meaning given in section 462A.221, subdivision 1a.

**EFFECTIVE DATE.** This section is effective for developments selected for tax credit awards or allocations on or after January 1, 2025.

Sec. 2. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 2, is amended to read:

Subd. 2. **Prevailing wage required.** (a) A state agency or allocating agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6. The person receiving or benefiting from the financial assistance is also subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

(b) For purposes of complying with section 177.30, paragraph (a), clauses (6) and (7), the state agency or allocating agency awarding the financial assistance is considered the contracting authority and the project is considered a public works project. The person receiving or benefiting from the financial assistance shall notify all employers on the project of the record keeping and reporting requirements in section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to the contracting authority.

Sec. 3. Minnesota Statutes 2022, section 116J.871, subdivision 4, is amended to read:

Subd. 4. **Notification.** A state agency or allocating agency shall notify any person applying for financial assistance from the state agency or allocating agency of the requirements under subdivision 2 and of the penalties under subdivision 3.

Sec. 4. Minnesota Statutes 2022, section 181.960, subdivision 3, is amended to read:

Subd. 3. **Employer.** "Employer" means a person who has ~~20~~ one or more employees. Employer does not include a state agency, statewide system, political subdivision, or advisory board or commission that is subject to chapter 13.

Sec. 5. **[462A.051] WAGE THEFT PREVENTION AND USE OF RESPONSIBLE CONTRACTORS.**

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

(b) "Project sponsor" means an individual, legal entity, or nonprofit board that exercises control, financial responsibility, and decision-making authority over a housing development.

(c) "Developer" means an individual, legal entity, or nonprofit board that is responsible for the coordination of financing and building of a housing development.

(c) "Funding" means all forms of financial assistance or the allocation or award of federal low-income housing tax credits.

Subd. 2. **Application.** This section applies to all forms of financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation and award of federal low-income housing credits, for the development, construction, rehabilitation, renovation, or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance.

Subd. 3. **Disclosures.** An applicant for funding under this chapter shall disclose in the application any conviction, court judgment, agency determination, legal settlement, ongoing criminal or civil investigation, or lawsuit involving alleged violations of sections 177.24, 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14, 181.722, 181.723, 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19), or United States Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising or occurring within the preceding five years on a construction project owned or managed by the developer, project sponsor, or owner of the proposed project, the intended general contractor for the proposed project, or any of their respective parent companies, subsidiaries, or other affiliated companies. An applicant for funding shall make the disclosures required by this subdivision available within 14 calendar days to any member of the public who submits a request by mail or electronic correspondence. The applicant shall designate a public information officer who will serve as a point of contact for public inquiries.

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

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

Subd. 6. **Wage theft remedy.** If any contractor or subcontractor of any tier is found to have failed to pay statutorily required wages under section 609.52, subdivision 1, clause (13), on a project receiving funding from or through the agency, the contractor or subcontractor with the finding is responsible for correcting the violation.

Subd. 7. **Wage theft prevention plans; disqualification.** (a) If any contractor or subcontractor of any tier fails to pay statutorily required wages on a project receiving funding from or through the agency as determined by an enforcement entity, the project sponsor of the project must have a wage theft prevention plan to be eligible for further funding from the agency. The project sponsor's wage theft prevention plan must describe detailed measures that the project sponsor and its general contractor have taken and are committed to take to prevent wage theft on the project, including provisions in any construction contracts and subcontracts on the project. The plan must be submitted to the Department of Labor and Industry for review. The Department of Labor and Industry may require the project sponsor to amend the plan or adopt policies or protocols in the plan. Once approved by the Department of Labor and Industry, the wage theft prevention plan must be submitted by the project sponsor to the agency with any subsequent application for funding from the agency. Such wage theft prevention plans shall be made available to members of the public by the agency upon request.

(b) A project sponsor is disqualified from receiving funding from or through the agency for three years if any of the project sponsor's contractors or subcontractors of any tier are found by an enforcement agency to have, within three years after entering into a wage theft prevention plan under paragraph (a), failed to pay statutorily required wages on a project receiving financial assistance from or through the agency for a total underpayment of \$50,000 or more.

Subd. 8. **Enforcement.** The agency must deny an application for funding that does not comply with this section or if the project sponsor refuses to enter into the agreements required by this section. The agency may withhold funding that has been previously approved if the agency determines that the project sponsor has engaged in unacceptable practices by failing to comply with this section until the violation is cured.

**EFFECTIVE DATE.** This section is effective for applications for funding submitted after August 1, 2024.

#### Sec. 6. **RULEMAKING; ACCEPTABLE BLOOD LEAD LEVELS FOR WORKERS.**

The commissioner of labor and industry, in consultation with the commissioner of health, shall adopt rules to:

(1) lower the acceptable blood lead levels above which require mandatory removal of workers from the lead exposure; and

(2) lower the blood lead levels required before a worker is allowed to return to work. The thresholds established must be based on the most recent public health information on the safety of lead exposure.



ARTICLE 10  
EMPLOYEE MISCLASSIFICATION PROHIBITED

Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employer, employees, and other persons to ascertain compliance with any of the sections 177.21 to 177.435 and 181.165 listed in subdivision 4. The commissioner may investigate wage claims or complaints by an employee against an employer if the failure to pay a wage may violate Minnesota law or an order or rule of the department.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 2, is amended to read:

Subd. 2. **Submission of records; penalty.** The commissioner may require the employer of employees working in the state to submit to the commissioner photocopies, certified copies, or, if necessary, the originals of ~~employment~~ records that relate to employment or employment status which the commissioner deems necessary or appropriate. The records which may be required include full and correct statements in writing, including sworn statements by the employer, containing information relating to wages, hours, names, addresses, and any other information pertaining to the employer's employees and the conditions of their employment as the commissioner deems necessary or appropriate.

The commissioner may require the records to be submitted by certified mail delivery or, if necessary, by personal delivery by the employer or a representative of the employer, as authorized by the employer in writing.

The commissioner may fine the employer up to \$10,000 for each failure to submit or deliver records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

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

Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 3, is amended to read:

Subd. 3. **Adequacy of records.** If the records maintained by the employer do not provide sufficient information to determine the exact amount of back wages due an employee, the commissioner may make a determination of wages due based on available evidence ~~and mediate a settlement with the employer.~~

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 179.86, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.723, 181.79, 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section 177.28, 181.213, or

181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner. For the purposes of this subdivision, an employer includes a contractor that has assumed a subcontractor's liability within the meaning of section 181.165.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 7, is amended to read:

Subd. 7. **Employer liability.** If an employer is found by the commissioner to have violated a section identified in subdivision 4, or any rule adopted under section 177.28, 181.213, or 181.215, and the commissioner issues an order to comply, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take such affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. In addition to remedies, damages, and penalties provided for in the violated section, the commissioner shall order the employer to pay to the aggrieved parties back pay, gratuities, and compensatory damages, less any amount actually paid to the ~~employee~~ aggrieved parties by the employer, and for an additional equal amount as liquidated damages. Any employer who is found by the commissioner to have repeatedly or willfully violated a section or sections identified in subdivision 4 shall be subject to ~~a~~ an additional civil penalty of up to \$10,000 for each violation for each employee. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered. In addition, the commissioner may order the employer to reimburse the department and the attorney general for all appropriate litigation and hearing costs expended in preparation for and in conducting the contested case proceeding, unless payment of costs would impose extreme financial hardship on the employer. If the employer is able to establish extreme financial hardship, then the commissioner may order the employer to pay a percentage of the total costs that will not cause extreme financial hardship. Costs include but are not limited to the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's order from the date the order is signed by the commissioner until it is paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish escrow accounts for purposes of distributing remedies and damages.

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

Sec. 6. Minnesota Statutes 2022, section 181.171, subdivision 1, is amended to read:

Subdivision 1. **Civil action; damages.** A person may bring a civil action seeking redress for violations of sections 181.02, 181.03, 181.031, 181.032, 181.08, 181.09, 181.10, 181.101, 181.11, 181.13, 181.14, 181.145, ~~and 181.15, 181.722, and 181.723~~ directly to district court. An employer who is found to have violated the above sections is liable to the aggrieved party for the civil penalties or damages provided for in the section violated. An employer who is found to have violated the above sections shall also be liable for compensatory damages and other appropriate relief including but not limited to injunctive relief.

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

Sec. 7. Minnesota Statutes 2022, section 181.722, is amended to read:

**181.722 MISREPRESENTATION MISCLASSIFICATION OF EMPLOYMENT RELATIONSHIP PROHIBITED EMPLOYEES.**

Subdivision 1. ~~Prohibition~~ **Prohibited activities related to employment status.** ~~No employer shall misrepresent the nature of its employment relationship with its employees to any federal, state, or local government unit; to other employers; or to its employees. An employer misrepresents the nature of its employment relationship with its employees if it makes any statement regarding the nature of the relationship that the employer knows or has reason to know is untrue and if it fails to report individuals as employees when legally required to do so.~~

(a) A person shall not:

(1) fail to classify, represent, or treat an individual who is the person's employee pursuant to subdivision 3 as an employee in accordance with the requirements of any applicable local, state, or federal law. A violation under this clause is in addition to any violation of local, state, or federal law;

(2) fail to report or disclose to any person or to any local, state, or federal government agency an individual who is the person's employee pursuant to subdivision 3 as an employee when required to do so under any applicable local, state, or federal law. Each failure to report or disclose an individual as an employee shall constitute a separate violation of this clause; or

(3) require or request an individual who is the person's employee pursuant to subdivision 3 to enter into any agreement or complete any document that misclassifies, misrepresents, or treats the individual as an independent contractor or otherwise does not reflect that the individual is the person's employee pursuant to subdivision 3. Each agreement or completed document constitutes a separate violation of this provision.

(b) An owner, partner, principal, member, officer, or agent, on behalf of the person, who knowingly or repeatedly engaged in any of the prohibited activities in this subdivision may be held individually liable.

(c) An order issued by the commissioner to a person for engaging in any of the prohibited activities in this subdivision is in effect against any successor person. A person is a successor person if the person shares three or more of the following with the person to whom the order was issued:

(1) has one or more of the same owners, members, principals, officers, or managers;

(2) performs similar work within the state of Minnesota;

(3) has one or more of the same telephone or fax numbers;

(4) has one or more of the same email addresses or websites;

(5) employs or engages substantially the same individuals to provide or perform services;

(6) utilizes substantially the same vehicles, facilities, or equipment; or

(7) lists or advertises substantially the same project experience and portfolio of work.

Subd. 1a. **Definitions.** (a) "Person" means any individual, sole proprietor, limited liability company, limited liability partnership, corporation, partnership, incorporated or unincorporated association, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or a person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

(e) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

~~Subd. 2. **Agreements to misclassify prohibited.** No employer shall require or request any employee to enter into any agreement, or sign any document, that results in misclassification of the employee as an independent contractor or otherwise does not accurately reflect the employment relationship with the employer.~~

**Subd. 3. Determination of employment relationship.** For purposes of this section, the nature of an employment relationship is determined using the same tests and in the same manner as employee status is determined under the applicable workers' compensation and unemployment insurance program laws and rules.

~~Subd. 4. **Civil remedy Damages and penalties.** A construction worker, as defined in section 179.254, who is not an independent contractor and has been injured by a violation of this section, may bring a civil action for damages against the violator. If the construction worker injured is an employee of the violator of this section, the employee's representative, as defined in section 179.01, subdivision 5, may bring a civil action for damages against the violator on behalf of the employee. The court may award attorney fees, costs, and disbursements to a construction worker recovering under this section.~~

(a) The following damages and penalties may be imposed for a violation of this section:

(1) compensatory damages to the individual the person has failed to classify, represent, or treat as an employee pursuant to subdivision 3. Compensatory damages includes but is not limited to the value of supplemental pay including minimum wage; overtime; shift differentials; vacation pay, sick pay, and other forms of paid time off; health insurance; life and disability insurance; retirement plans; savings plans and any other form of benefit; employer contributions to unemployment insurance; Social Security and Medicare; and any costs and expenses incurred by the individual resulting from the person's failure to classify, represent, or treat the individual as an employee;

(2) a penalty of up to \$10,000 for each individual the person failed to classify, represent, or treat as an employee pursuant to subdivision 3;

(3) a penalty of up to \$10,000 for each violation of subdivision 1; and

(4) a penalty of \$1,000 for each person who delays, obstructs, or otherwise fails to cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure to cooperate constitutes a separate violation.

(b) This section may be investigated and enforced under the commissioner's authority under state law.

**Subd. 5. Reporting of violations.** Any court finding that a violation of this section has occurred shall transmit a copy of its findings of fact and conclusions of law to the commissioner of labor and industry. The commissioner of labor and industry shall report the finding to relevant local, state, and federal agencies, including the commissioner of commerce, the commissioner of employment and economic development, the commissioner of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

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

Sec. 8. Minnesota Statutes 2022, section 181.723, is amended to read:

**181.723 MISCLASSIFICATION OF CONSTRUCTION CONTRACTORS EMPLOYEES.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Person" means any individual, sole proprietor, limited liability company, limited liability partnership, corporation, partnership, incorporated or unincorporated association, ~~sole proprietorship~~, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

(e) "Day" means calendar day unless otherwise provided.

(f) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

(g) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that term is defined in paragraph (a), except the term does not include an individual.

(h) "Independent contractor" means a business entity that meets all the requirements under subdivision 4, paragraph (a).

Subd. 2. **Limited application.** This section only applies to ~~individuals~~ persons providing or performing public or private sector commercial or residential building construction or improvement services. Building construction ~~and or~~ improvement services ~~do not include all public or private sector commercial or residential building construction or improvement services except for:~~ (1) the manufacture, supply, or sale of products, materials, or merchandise; (2) landscaping services for the maintenance or removal of existing plants, shrubs, trees, and other vegetation, whether or not the services are provided as part of a contract for the building construction or improvement services; and (3) all other landscaping services, unless the other landscaping services are provided as part of a contract for the building construction or improvement services.

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181, 181A, 182, and 268, as of January 1, 2009 and 326B, an individual who provides or performs building construction or improvement services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and not an employee of the person for whom the individual is providing or performing services in the course of the person's trade, business, profession, or occupation only if the individual is operating as a business entity that meets all of the following requirements at the time the services were provided or performed:

~~(1) maintains a separate business with the individual's own office, equipment, materials, and other facilities;~~

~~(2)(i) holds or has applied for a federal employer identification number or (ii) has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual has performed services in the previous year;~~

~~(3) is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;~~

~~(4) is incurring the main expenses related to the services that the individual is performing for the person under the contract;~~

~~(5) is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;~~

~~(6) receives compensation from the person for the services performed under the contract on a commission or per job or competitive bid basis and not on any other basis;~~

~~(7) may realize a profit or suffer a loss under the contract to perform services for the person;~~

~~(8) has continuing or recurring business liabilities or obligations; and~~

~~(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.~~

~~An individual who is not registered, if required by section 326B.701, is presumed to be an employee of a person for whom the individual performs services in the course of the person's trade, business, profession, or occupation. The person for whom the services were performed may rebut this presumption by showing that the unregistered individual met all nine factors in this paragraph at the time the services were performed.~~

~~(b) If an individual is an owner or partial owner of a business entity, the individual is an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation, and is not an employee of the business entity in which the individual has an ownership interest, unless:~~

~~(1) the business entity meets the nine factors in paragraph (a);~~

~~(2) invoices and payments are in the name of the business entity; and~~

~~(3) the business entity is registered with the secretary of state, if required.~~

~~If the business entity in which the individual has an ownership interest is not registered, if required by section 326B.701, the individual is presumed to be an employee of a person for whom the individual performs services and not an employee of the business entity in which the individual has an ownership interest. The person for whom the services were performed may rebut the presumption by showing that the business entity met the requirements of clauses (1) to (3) at the time the services were performed.~~

(1) was established and maintained separately from and independently of the person for whom the services were provided or performed;

(2) owns, rents, or leases equipment, tools, vehicles, materials, supplies, office space, or other facilities that are used by the business entity to provide or perform building construction or improvement services;

(3) provides or performs, or offers to provide or perform, the same or similar building construction or improvement services for multiple persons or the general public;

(4) is in compliance with all of the following:

(i) holds a federal employer identification number if required by federal law;

(ii) holds a Minnesota tax identification number if required by Minnesota law;

(iii) has received and retained 1099 forms for income received for building construction or improvement services provided or performed, if required by Minnesota or federal law;

(iv) has filed business or self-employment income tax returns, including estimated tax filings, with the federal Internal Revenue Service and the Department of Revenue, as the business entity or as a self-employed individual reporting income earned, for providing or performing building construction or improvement services, if any, in the previous 12 months; and

(v) has completed and provided a W-9 federal income tax form to the person for whom the services were provided or performed if required by federal law;

(5) is in good standing as defined by section 5.26, if applicable;

(6) has a Minnesota unemployment insurance account if required by chapter 268;

(7) has obtained required workers' compensation insurance coverage if required by chapter 176;

(8) holds current business licenses, registrations, and certifications if required by chapter 326B and sections 327.31 to 327.36;

(9) is operating under a written contract to provide or perform the specific services for the person that:

(i) is signed and dated by both an authorized representative of the business entity and of the person for whom the services are being provided or performed;

(ii) is fully executed no later than 30 days after the date work commences;

(iii) identifies the specific services to be provided or performed under the contract;

(iv) provides for compensation from the person for the services provided or performed under the contract on a commission or per-job or competitive bid basis and not on any other basis; and

(v) the requirements of item (ii) shall not apply to change orders;

(10) submits invoices and receives payments for completion of the specific services provided or performed under the written proposal, contract, or change order in the name of the business entity. Payments made in cash do not meet this requirement;

(11) the terms of the written proposal, contract, or change order provide the business entity control over the means of providing or performing the specific services, and the business entity in fact controls the provision or performance of the specific services;

(12) incurs the main expenses and costs related to providing or performing the specific services under the written proposal, contract, or change order;

(13) is responsible for the completion of the specific services to be provided or performed under the written proposal, contract, or change order and is responsible, as provided under the written proposal, contract, or change order, for failure to complete the specific services; and

(14) may realize additional profit or suffer a loss, if costs and expenses to provide or perform the specific services under the written proposal, contract, or change order are less than or greater than the compensation provided under the written proposal, contract, or change order.

(b)(1) Any individual providing or performing the services as or for a business entity is an employee of the person who engaged the business entity, unless the business entity meets all of the requirements under subdivision 4, paragraph (a).

(2) Any individual who is determined to be the person's employee is acting as an agent of and in the interest of the person when engaging any other individual or business entity to provide or perform any portion of the services that the business entity was engaged by the person to provide or perform.

(3) Any individual engaged by an employee of the person, at any tier under the person, is also the person's employee, unless the individual is providing or performing the services as or for a business entity that meets the requirements of subdivision 4, paragraph (a).

(4) Clauses (1) to (3) do not create an employee-employer relationship between a person and an individual if: (i) there is an intervening business entity in the contractual chain between the person and the individual that meets the requirements of subdivision 4, paragraph (a); or (ii) the person establishes that an intervening business entity treats and classifies the individual as an employee for purposes of, and in compliance with, chapters 176, 177, 181, 181A, 268, 268B, 270C, and 290.

Subd. 7. **Prohibited activities related to independent contractor status.** (a) The prohibited activities in ~~this subdivision~~ paragraphs (b) and (c) are in addition to ~~those~~ the activities prohibited in sections 326B.081 to 326B.085.

(b) An individual providing or performing building construction or improvement services shall not ~~hold himself or herself out~~ represent themselves as an independent contractor unless the individual is operating as a business entity that meets all the requirements of subdivision 4, paragraph (a).

(c) A person who provides or performs building construction or improvement services in the course of the person's trade, business, occupation, or profession shall not:

(1) as a condition of payment for services provided or performed, require an individual through coercion, misrepresentation, or fraudulent means, who is an employee pursuant to this section, to register as a construction contractor under section 326B.701, or to adopt or agree to being classified, represented, or treated as an independent contractor status or form a business entity. Each instance of conditioning payment to an individual who is an employee on one of these conditions shall constitute a separate violation of this provision;

(2) knowingly misrepresent or misclassify an individual as an independent contractor, fail to classify, represent, or treat an individual who is an employee pursuant to this section as an employee in accordance with the requirements of any of the chapters listed in subdivision 3. Failure to classify, represent, or treat an individual who is an employee pursuant to this section as an employee in accordance with each requirement of a chapter listed in subdivision 3 shall constitute a separate violation of this provision;



(3) fail to report or disclose to any person or to any local, state, or federal government agency an individual who is an employee pursuant to subdivision 3, as an employee when required to do so under any applicable local, state, or federal law. Each failure to report or disclose an individual as an employee shall constitute a separate violation of this provision;

(4) require or request an individual who is an employee pursuant to this section to enter into any agreement or complete any document that misclassifies, misrepresents, or treats the individual as an independent contractor or otherwise does not reflect that the individual is an employee pursuant to this section. Each agreement or completed document shall constitute a separate violation of this provision; or

(5) require an individual who is an employee under this section to register under section 326B.701.

(d) In addition to the person providing or performing building construction or improvement services in the course of the person's trade, business, occupation, or profession, any owner, partner, principal, member, officer, or agent who engaged in any of the prohibited activities in this subdivision knowingly or repeatedly may be held individually liable.

(e) An order issued by the commissioner to a person for engaging in any of the prohibited activities in this subdivision is in effect against any successor person. A person is a successor person if the person shares three or more of the following with the person to whom the order was issued:

(1) has one or more of the same owners, members, principals, officers, or managers;

(2) performs similar work within the state of Minnesota;

(3) has one or more of the same telephone or fax numbers;

(4) has one or more of the same email addresses or websites;

(5) employs or engages substantially the same individuals to provide or perform building construction or improvement services;

(6) utilizes substantially the same vehicles, facilities, or equipment; or

(7) lists or advertises substantially the same project experience and portfolio of work.

(f) If a person who has engaged an individual to provide or perform building construction or improvement services that are in the course of the person's trade, business, profession, or occupation, classifies, represents, treats, reports, or discloses the individual as an independent contractor, the person shall maintain, for at least three years, and in a manner that may be readily produced to the commissioner upon demand, all the information and documentation upon which the person based the determination that the individual met all the requirements under subdivision 4, paragraph (a), at the time the individual was engaged and at the time the services were provided or performed.

(g) The following damages and penalties may be imposed for a violation of this section:

(1) compensatory damages to the individual the person failed to classify, represent, or treat as an employee pursuant to this section. Compensatory damages include but are not limited to the value of supplemental pay including minimum wage; overtime; shift differentials; vacation pay; sick pay; and other forms of paid time off; health insurance; life and disability insurance; retirement plans; saving plans and any other form of benefit; employer contributions to unemployment insurance; Social Security and Medicare and any costs and expenses incurred by the individual resulting from the person's failure to classify, represent, or treat the individual as an employee;

(2) a penalty of up to \$10,000 for each individual the person failed to classify, represent, or treat as an employee pursuant to this section;

(3) a penalty of up to \$10,000 for each violation of this subdivision; and

(4) a penalty of \$1,000 for any person who delays, obstructs, or otherwise fails to cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure to cooperate constitutes a separate violation.

(h) This section may be investigated and enforced under the commissioner's authority under state law.

Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner of revenue and the commissioner of employment and economic development, adopt, amend, suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the commissioner's responsibilities under this section. ~~This subdivision is effective May 26, 2007.~~

Subd. 15. **Notice and review by commissioners of revenue and employment and economic development.** When the commissioner has reason to believe that a person has violated subdivision 7, ~~paragraph (b); or (c), clause (1) or (2);~~ the commissioner must notify the commissioner of revenue and the commissioner of employment and economic development. Upon receipt of notification from the commissioner, the commissioner of revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

**EFFECTIVE DATE.** This section is effective July 1, 2024, except that the amendments to subdivision 4 are effective for building construction or improvement services provided or performed on or after March 1, 2025.

Sec. 9. **[181.724] INTERGOVERNMENTAL MISCLASSIFICATION ENFORCEMENT AND EDUCATION PARTNERSHIP ACT.**

Subdivision 1. **Citation.** This section and section 181.725 may be cited as the "Intergovernmental Misclassification Enforcement and Education Partnership Act."

Subd. 2. **Policy and statement of purpose.** It is the policy of the state of Minnesota to prevent employers from misclassifying workers, because employee misclassification allows an employer to illegally evade obligations under state labor, employment, and tax laws, including but not limited to the laws governing minimum wage, overtime, unemployment insurance, paid family medical leave, earned sick and safe time, workers' compensation insurance, temporary disability insurance, the payment of wages, and payroll taxes.

Subd. 3. **Definitions.** (a) For the purposes of this section and section 181.725, the following terms have the meanings given, unless the language or context clearly indicates that a different meaning is intended.

(b) "Partnership entity" means one of the following governmental entities with jurisdiction over employee misclassification in Minnesota:

(1) the Department of Labor and Industry;

(2) the Department of Revenue;

(3) the Department of Employment and Economic Development;

(4) the Department of Commerce; and

(5) the attorney general in the attorney general's enforcement capacity under sections 177.45 and 181.1721.

(c) "Employee misclassification" means the practice by an employer of not properly classifying workers as employees.

**Subd. 4. Coordination, collaboration, and information sharing.** For purposes of this section, a partnership entity:

(1) shall communicate with other entities to help detect and investigate instances of employee misclassification;

(2) may request from, provide to, or receive from the other partnership entities data necessary for the purpose of detecting and investigating employee misclassification, unless prohibited by federal law; and

(3) may collaborate with one another when investigating employee misclassification, unless prohibited by federal law. Collaboration includes but is not limited to referrals, strategic enforcement, and joint investigations by two or more partnership entities.

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

**Sec. 10. [181.725] INTERGOVERNMENTAL MISCLASSIFICATION ENFORCEMENT AND EDUCATION PARTNERSHIP.**

**Subdivision 1. Composition.** The Intergovernmental Misclassification Enforcement and Education Partnership is composed of the following members or their designees, who shall serve on behalf of their respective partnership entities:

(1) the commissioner of labor and industry;

(2) the commissioner of revenue;

(3) the commissioner of employment and economic development;

(4) the commissioner of commerce; and

(5) the attorney general.

**Subd. 2. Meetings.** The commissioner of labor and industry, in consultation with other members of the partnership, shall convene and lead meetings of the partnership to discuss issues related to the investigation of employee misclassification and public outreach. Members of the partnership may select a designee to attend any such meeting. Meetings must occur at least quarterly.

**Subd. 2a. Additional meetings.** (a) In addition to regular quarterly meetings under subdivision 2, the commissioner of labor and industry, in consultation with members of the partnership, may convene and lead additional meetings for the purpose of discussing and making recommendations under subdivision 4a.

(b) This subdivision expires July 31, 2025, unless a different expiration date is specified in law.

**Subd. 3. Roles.** Each partnership entity may use the information received through its participation in the partnership to investigate employee misclassification within their relevant jurisdictions as follows:

(1) the Department of Labor and Industry in its enforcement authority under chapters 176, 177, and 181;

(2) the Department of Revenue in its enforcement authority under chapters 289A and 290;

(3) the Department of Employment and Economic Development in its enforcement authority under chapters 268 and 268B;

(4) the Department of Commerce in its enforcement authority under chapters 45, 60A, 60K, 79, and 79A; and

(5) the attorney general in the attorney general's enforcement authority under sections 177.45 and 181.1721.

Subd. 4. **Annual presentation to the legislature.** At the request of the chairs, the Intergovernmental Misclassification Enforcement and Education Partnership shall present annually to members of the house of representatives and senate committees with jurisdiction over labor. The presentation shall include information about how the partnership carried out its duties during the preceding calendar year.

Subd. 4a. **First presentation.** (a) By March 1, 2025, the Intergovernmental Misclassification Enforcement and Education Partnership shall make its first presentation to members of the house of representatives and senate committees with jurisdiction over labor. The first presentation may be made in a form and manner determined by the partnership. In addition to providing information about how the partnership carried out its duties in its first year, the presentation shall include the following information and recommendations, including any budget requests to carry out the recommendations:

(1) consider any staffing recommendations for the partnership and each partnership entity to carry out the duties and responsibilities under this section;

(2) provide a summary of the industries, areas, and employers with high numbers of misclassification violations and recommendations for proactive review and enforcement efforts;

(3) propose a system for making cross referrals between partnership entities;

(4) identify cross-training needs and a proposed cross-training plan; and

(5) propose a metric or plan for monitoring and assessing:

(i) the number and severity of employee misclassification violations; and

(ii) the adequacy and effectiveness of the partnership's duties related to employee misclassification, including but not limited to the partnership's efforts on education, outreach, detection, investigation, deterrence, and enforcement of employee misclassification.

(b) This subdivision expires July 31, 2025, unless a different expiration date is specified in law.

Subd. 5. **Separation.** The Intergovernmental Misclassification Enforcement and Education Partnership is not a separate agency or board and is not subject to chapter 13D. Data shared or created by the partnership entities under this section or section 181.724 are subject to chapter 13 and hold the data classification prescribed by law.

Subd. 6. **Duties.** The Intergovernmental Misclassification Enforcement and Education Partnership shall:

(1) set goals to maximize Minnesota's efforts to detect, investigate, and deter employee misclassification;

(2) share information to facilitate the detection and investigation of employee misclassification;

(3) develop a process or procedure that provides a person with relevant information and connects them with relevant partnership entities, regardless of which partnership entity that person contacts for assistance;

- (4) identify best practices in investigating employee misclassification;
- (5) identify resources needed for better enforcement of employee misclassification;
- (6) inform and educate stakeholders on rights and responsibilities related to employee misclassification;
- (7) serve as a unified point of contact for workers, businesses, and the public impacted by misclassification;
- (8) inform the public on enforcement actions taken by the partnership entities; and
- (9) perform other duties as necessary to:
  - (i) increase the effectiveness of detection, investigation, enforcement, and deterrence of employee misclassification; and
  - (ii) carry out the purposes of the partnership.

Subd. 7. **Public outreach.** (a) The commissioner of labor and industry shall maintain on the department's website information about the Intergovernmental Misclassification Enforcement and Education Partnership, including information about how to file a complaint related to employee misclassification.

(b) Each partnership entity shall maintain on its website information about worker classification laws, including requirements for employers and employees, consequences for misclassifying workers, and contact information for other partnership entities.

Subd. 8. **No limitation of other duties.** This section does not limit the duties or authorities of a partnership entity, or any other government entity, under state law.

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

Sec. 11. Minnesota Statutes 2022, section 270B.14, subdivision 17, is amended to read:

Subd. 17. **Disclosure to Department of Commerce.** (a) The commissioner may disclose to the commissioner of commerce information required to administer the Uniform Disposition of Unclaimed Property Act in sections 345.31 to 345.60, including the Social Security numbers of the taxpayers whose refunds are on the report of abandoned property submitted by the commissioner to the commissioner of commerce under section 345.41. Except for data published under section 345.42, the information received that is private or nonpublic data retains its classification, and can be used by the commissioner of commerce only for the purpose of verifying that the persons claiming the refunds are the owners.

(b) The commissioner may disclose a return or return information to the commissioner of commerce under section 45.0135 to the extent necessary to investigate employer compliance with section 176.181.

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

Sec. 12. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision to read:

Subd. 23. **Disclosure to the attorney general.** The commissioner may disclose a return or return information to the attorney general for the purpose of determining whether a business is an employer and to the extent necessary to enforce section 177.45 or 181.1721.

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

Sec. 13. Minnesota Statutes 2022, section 326B.081, subdivision 3, is amended to read:

Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, and chapter 341, and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted, issued, or enforced by the department under sections 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, or chapter 341.

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

Sec. 14. Minnesota Statutes 2022, section 326B.081, subdivision 6, is amended to read:

Subd. 6. **Licensing order.** "Licensing order" means an order issued under section 326B.082, subdivision 12; ~~paragraph (a).~~

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

Sec. 15. Minnesota Statutes 2022, section 326B.081, subdivision 8, is amended to read:

Subd. 8. **Stop work order.** "Stop work order" means an order issued under section 326B.082, subdivision 10.

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

Sec. 16. Minnesota Statutes 2022, section 326B.082, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The commissioner may enforce all applicable law under this section. The commissioner may use any enforcement provision in this section, including the assessment of monetary penalties, against a person required to have a license, registration, certificate, or permit under the applicable law based on conduct that would provide grounds for action against a licensee, registrant, certificate holder, or permit holder under the applicable law. The use of an enforcement provision in this section shall not preclude the use of any other enforcement provision in this section or otherwise provided by law. The commissioner's investigation and enforcement authority under this section may be used by the commissioner in addition to or as an alternative to any other investigation and enforcement authority provided by law.

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

Sec. 17. Minnesota Statutes 2022, section 326B.082, subdivision 2, is amended to read:

Subd. 2. **Access to information and property; subpoenas.** (a) In order to carry out the purposes of the applicable law, the commissioner may:

(1) administer oaths and affirmations, certify official acts, interview, question, take oral or written statements, demand data and information, and take depositions;

(2) request, examine, take possession of, test, sample, measure, photograph, record, and copy any documents, apparatus, devices, equipment, or materials;

(3) at a time and place indicated by the commissioner, request persons to appear before the commissioner to give testimony, provide data and information, and produce documents, apparatus, devices, equipment, or materials;

(4) issue subpoenas to compel persons to ~~appear before the commissioner to give testimony,~~ provide data and information, and to produce documents, apparatus, devices, equipment, or materials; and

(5) with or without notice, enter without delay ~~upon~~ and access all areas of any property, public or private, for the purpose of taking any action authorized under this subdivision or the applicable law, including ~~obtaining to request, examine, take possession of, test, sample, measure, photograph, record, and copy any data, information, remedying documents, apparatus, devices, equipment, or materials; to interview, question, or take oral or written statements; to remedy violations;~~ or conducting to conduct surveys, inspections, or investigations.

(b) Persons requested by the commissioner to give testimony, provide data and information, or produce documents, apparatus, devices, equipment, or materials shall respond within the time and in the manner specified by the commissioner. If no time to respond is specified in the request, then a response shall be submitted within 30 days of the commissioner's service of the request.

(c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's representative, or lessee's representative to permit the commissioner's entry ~~onto~~ and access to all areas of any property as provided in paragraph (a), the commissioner may apply for an administrative inspection order in the Ramsey County District Court or, at the commissioner's discretion, in the district court in the county in which the property is located. The commissioner may anticipate that a property owner or lessee will refuse entry and access to all areas of a property if the property owner, lessee, property owner's representative, or lessee's representative has refused to permit entry or access to all areas of a property on a prior occasion or has informed the commissioner that entry or access to areas of a property will be refused. Upon showing of administrative probable cause by the commissioner, the district court shall issue an administrative inspection order that compels the property owner or lessee to permit the commissioner to enter and be allowed access to all areas of the property for the purposes specified in paragraph (a).

(d) Upon the application of the commissioner, a district court shall treat the failure of any person to obey a subpoena lawfully issued by the commissioner under this subdivision as a contempt of court.

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

Sec. 18. Minnesota Statutes 2022, section 326B.082, subdivision 4, is amended to read:

Subd. 4. **Fax or email transmission.** When this section or section 326B.083 permits a request for reconsideration or request for hearing to be served by fax on the commissioner, or when the commissioner instructs that a request for reconsideration or request for hearing be served by email on the commissioner, the fax or email shall not exceed 15 printed pages in length. The request shall be considered timely served if the fax or email is received by the commissioner, at the fax number or email address identified by the commissioner in the order or notice of violation, no later than 4:30 p.m. central time on the last day permitted for faxing or emailing the request. Where the quality or authenticity of the faxed or emailed request is at issue, the commissioner may require the original request to be filed. Where the commissioner has not identified quality or authenticity of the faxed or emailed request as an issue and the request has been faxed or emailed in accordance with this subdivision, the person faxing or emailing the request does not need to file the original request with the commissioner.

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

Sec. 19. Minnesota Statutes 2022, section 326B.082, subdivision 6, is amended to read:

Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to any person who the commissioner determines has committed a violation of the applicable law. The notice of violation must state a summary of the facts that constitute the violation and the applicable law violated. The notice of violation may require the person to correct the violation. If correction is required, the notice of violation must state the deadline by which the violation must be corrected.

(b) In addition to any person, a notice of violation may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). A notice of violation is effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

~~(b)~~ (c) The commissioner shall issue the notice of violation by:

- (1) serving the notice of violation on the property owner or on the person who committed the violation; or
- (2) posting the notice of violation at the location where the violation occurred.

~~(c)~~ (d) If the person to whom the commissioner has issued the notice of violation believes the notice was issued in error, then the person may request reconsideration of the parts of the notice that the person believes are in error. The request for reconsideration must be in writing and must be served on, faxed, or emailed to the commissioner at the address, fax number, or email address specified in the notice of violation by the tenth day after the commissioner issued the notice of violation. The date on which a request for reconsideration is served by mail shall be the postmark date on the envelope in which the request for reconsideration is mailed. If the person does not serve, fax, or email a written request for reconsideration or if the person's written request for reconsideration is not served on or faxed to the commissioner by the tenth day after the commissioner issued the notice of violation, the notice of violation shall become a final order of the commissioner and will not be subject to review by any court or agency. The request for reconsideration must:

- (1) specify which parts of the notice of violation the person believes are in error;
- (2) explain why the person believes the parts are in error; and
- (3) provide documentation to support the request for reconsideration.

The commissioner shall respond in writing to requests for reconsideration made under this paragraph within 15 days after receiving the request. A request for reconsideration does not stay a requirement to correct a violation as set forth in the notice of violation. After reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind the notice of violation. The commissioner's response to a request for reconsideration is final and shall not be reviewed by any court or agency.

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

Sec. 20. Minnesota Statutes 2022, section 326B.082, subdivision 7, is amended to read:

Subd. 7. **Administrative orders; correction; assessment of monetary penalties.** (a) The commissioner may issue an administrative order to any person who the commissioner determines has committed a violation of the applicable law. The commissioner shall issue the administrative order by serving the administrative order on the person. The administrative order may require the person to correct the violation, may require the person to cease and desist from committing the violation, and may assess monetary damages and penalties. The commissioner shall follow the procedures in section 326B.083 when issuing administrative orders. Except as provided in paragraph (b), the commissioner may issue to each person a monetary penalty of up to \$10,000 for each violation of applicable law committed by the person. The commissioner may order that part or all of the monetary penalty will be forgiven if the person to whom the order is issued demonstrates to the commissioner by the 31st day after the order is issued that the person has corrected the violation or has developed a correction plan acceptable to the commissioner.

(b) The commissioner may issue an administrative order for failure to correct a violation by the deadline stated in a final notice of violation issued under subdivision 6 or a final administrative order issued under paragraph (a). Each day after the deadline during which the violation remains uncorrected is a separate violation for purposes of calculating the maximum monetary penalty amount.



(c) Upon the application of the commissioner, a district court shall find the failure of any person to correct a violation as required by a final notice of violation issued under subdivision 6 or a final administrative order issued by the commissioner under this subdivision as a contempt of court.

(d) In addition to any person, an administrative order may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). An administrative order shall be effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

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

Sec. 21. Minnesota Statutes 2022, section 326B.082, subdivision 10, is amended to read:

Subd. 10. **Stop work orders.** ~~(a) If the commissioner determines based on an inspection or investigation that a person has violated or is about to violate the applicable law,~~ The commissioner may issue to the person a stop work order requiring ~~the person to cease and desist from committing the violation~~ cessation of all business operations of a person at one or more of the person's workplaces and places of business or across all of the person's workplaces and places of business. A stop work order may only be issued to any person who the commissioner has determined, based on an inspection or investigation, has violated the applicable law, has engaged in any of the activities under subdivision 11, paragraph (b), or section 326B.701, subdivision 5, or has failed to comply with a final notice, final administrative order, or final licensing order issued by the commissioner under this section or a final order to comply issued by the commissioner under section 177.27, or to any person identified in paragraph (c).

(b) The stop work order is effective upon its issuance under paragraph (e). The order remains in effect until the commissioner issues an order lifting the stop work order. The commissioner shall issue an order lifting the stop work order upon finding that the person has come into compliance with the applicable law, has come into compliance with a final order or notice of violation issued by the commissioner, has ceased and desisted from engaging in any of the activities under subdivision 11, paragraph (b), or section 326B.701, subdivision 5, and has paid any remedies, damages, penalties, and other monetary sanctions, including wages owed to employees under paragraph (j), to the satisfaction of the commissioner, or if the commissioner or appellate court modifies or vacates the order.

(c) In addition to any person, a stop work order may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). The stop work order is effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

~~(b) (d)~~ If the commissioner determines that a condition exists on real property that violates the applicable law is the basis for issuing a stop work order, the commissioner may also issue a stop work order to the owner or lessee of the real property to cease and desist from committing the violation and to correct the condition that is in violation to cease and desist from committing the violation and to correct the condition that is in violation.

~~(e)~~ (e) The commissioner shall issue the stop work order by:

- (1) serving the order on the person who has committed or is about to commit the violation;
- (2) posting the order at the location where the violation was committed or is about to be committed or at the location where the violating condition exists that is the basis for issuing the stop work order; or
- (3) serving the order on any owner or lessee of the real property where the violating condition exists violations or conditions exist.

~~(d)~~ (f) A stop work order shall:

(1) describe the act, conduct, or practice committed ~~or about to be committed~~, or the condition, and include a reference to the applicable law ~~that the act, conduct, practice, or condition violates or would violate~~, the final order or final notice of violation, the provisions in subdivision 11, paragraph (b); the provisions in section 326B.701, subdivision 5; or liability under section 181.165, as applicable; and

(2) provide notice that any person aggrieved by the stop work order may request a hearing as provided in paragraph ~~(e)~~ (g).

~~(e)~~ (g) Within 30 days after the commissioner issues a stop work order, any person aggrieved by the order may request an expedited hearing to review the commissioner's action. The request for hearing must be made in writing and must be served on, emailed, or faxed to the commissioner at the address, email address, or fax number specified in the order. If the person does not request a hearing or if the person's written request for hearing is not served on, emailed, or faxed to the commissioner on or before the 30th day after the commissioner issued the stop work order, the order will become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed. The hearing request must specifically state the reasons for seeking review of the order. The person who requested the hearing and the commissioner are the parties to the expedited hearing. The hearing shall be commenced within ten days after the commissioner receives the request for hearing. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision. The administrative law judge shall issue a report containing findings of fact, conclusions of law, and a recommended order within ten days after the completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later. Any party aggrieved by the administrative law judge's report shall have five days after the date of the administrative law judge's report to submit written exceptions and argument to the commissioner that the commissioner shall consider and enter in the record. Within 15 days after receiving the administrative law judge's report, the commissioner shall issue an order vacating, modifying, or making permanent the stop work order. The commissioner and the person requesting the hearing may by agreement lengthen any time periods described in this paragraph. The Office of Administrative Hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this subdivision.

~~(f)~~ (h) A stop work order issued under this subdivision ~~shall be~~ is in effect until it is lifted by the commissioner under paragraph (b) or is modified or vacated by the commissioner or an appellate court under paragraph (b). The administrative hearing provided by this subdivision and any appellate judicial review as provided in chapter 14 shall constitute the exclusive remedy for any person aggrieved by a stop order.

(i) The commissioner may assess a civil penalty of \$5,000 per day against a person for each day the person conducts business operations that are in violation of a stop work order issued under this section.

(j) Once a stop work order becomes final, any of the person's employees affected by a stop work order issued pursuant to this subdivision shall be entitled to average daily earnings from the person for up to the first ten days of work lost by the employee because of the issuance of a stop work order. Lifting of a stop work order may be conditioned on payment of wages to employees. The commissioner may issue an order to comply under section 177.27 to obtain payment from persons liable for the payment of wages owed to the employees under this section.

~~(g)~~ (k) Upon the application of the commissioner, a district court shall find the failure of any person to comply with a final stop work order lawfully issued by the commissioner under this subdivision as a contempt of court.

(l) Notwithstanding section 13.39, the data in a stop work order issued under this subdivision are classified as public data after the commissioner has issued the order.

(m) When determining the appropriateness and extent of a stop work order the commissioner shall consider the factors set forth in section 14.045, subdivision 3.

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

Sec. 22. Minnesota Statutes 2022, section 326B.082, subdivision 11, is amended to read:

Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may deny an application for a permit, license, registration, or certificate if the applicant does not meet or fails to maintain the minimum qualifications for holding the permit, license, registration, or certificate, or has any unresolved violations ~~or~~ unpaid fees, or monetary damages or penalties related to the activity for which the permit, license, registration, or certificate has been applied for or was issued.

(b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's permit, license, registration, or certificate, or censure the person holding or acting as qualifying person for the permit, license, registration, or certificate, if the commissioner finds that the person:

(1) committed one or more violations of the applicable law;

(2) committed one or more violations of chapter 176, 177, 181, 181A, 182, 268, 270C, or 363A;

~~(2)~~ (3) submitted false or misleading information to ~~the~~ any state agency in connection with activities for which the permit, license, registration, or certificate was issued, or in connection with the application for the permit, license, registration, or certificate;

~~(3)~~ (4) allowed the alteration or use of the person's own permit, license, registration, or certificate by another person;

~~(4)~~ (5) within the previous five years, was convicted of a crime in connection with activities for which the permit, license, registration, or certificate was issued;

~~(5)~~ (6) violated: (i) a final administrative order issued under subdivision 7, (ii) a final stop work order issued under subdivision 10, (iii) injunctive relief issued under subdivision 9, or (iv) a consent order, order to comply, or other final order ~~of~~ issued by the commissioner or the commissioner of human rights, employment and economic development, or revenue;

~~(6)~~ (7) delayed, obstructed, or otherwise failed to cooperate with a commissioner's investigation, including a request to give testimony, to provide data and information, to produce documents, things, apparatus, devices, equipment, or materials, or to enter and access all areas of any property ~~under subdivision 2;~~

~~(7)~~ (8) retaliated in any manner against any employee or person who makes a complaint, is questioned by, cooperates with, or provides information to the commissioner ~~or an employee or agent authorized by the commissioner who seeks access to property or things under subdivision 2;~~

~~(8)~~ (9) engaged in any fraudulent, deceptive, or dishonest act or practice; or

~~(9)~~ (10) performed work in connection with the permit, license, registration, or certificate or conducted the person's affairs in a manner that demonstrates incompetence, untrustworthiness, or financial irresponsibility.

(c) In addition to any person, a licensing order may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). A licensing order is effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

~~(e)~~ (d) If the commissioner revokes or denies a person's permit, license, registration, or certificate under paragraph (b), the person is prohibited from reapplying for the same type of permit, license, registration, or certificate for at least two years after the effective date of the revocation or denial. The commissioner may, as a condition of reapplication, require the person to obtain a bond or comply with additional reasonable conditions the commissioner considers necessary to protect the public, including but not limited to demonstration of current and ongoing compliance with the laws the violation of which were the basis for revoking or denying the person's permit, license, registration, or certificate under paragraph (b) or that the person has ceased and desisted in engaging in activities under paragraph (b) that were the basis for revoking or denying the person's permit, license, registration, or certificate under paragraph (b).

~~(d)~~ (e) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn, or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the permit, license, registration, or certificate was last effective and enter a revocation or suspension order as of the last date on which the permit, license, registration, or certificate was in effect.

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

Sec. 23. Minnesota Statutes 2022, section 326B.082, subdivision 13, is amended to read:

Subd. 13. **Summary suspension.** In any case where the commissioner has issued an order to revoke, suspend, or deny a license, registration, certificate, or permit under subdivisions 11, paragraph (b), and 12, the commissioner may summarily suspend the person's permit, license, registration, or certificate before the order becomes final. The commissioner shall issue a summary suspension order when the safety of life or property is threatened or to prevent the commission of fraudulent, deceptive, untrustworthy, or dishonest acts against the public, including but not limited to violations of section 181.723, subdivision 7. The summary suspension shall not affect the deadline for submitting a request for hearing under subdivision 12. If the commissioner summarily suspends a person's permit, license, registration, or certificate, a timely request for hearing submitted under subdivision 12 shall also be considered a timely request for hearing on continuation of the summary suspension. If the commissioner summarily suspends a person's permit, license, registration, or certificate under this subdivision and the person submits a timely request for a hearing, then a hearing on continuation of the summary suspension must be held within ten days after the commissioner receives the request for hearing unless the parties agree to a later date.

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

Sec. 24. Minnesota Statutes 2022, section 326B.082, is amended by adding a subdivision to read:

Subd. 16a. **Additional penalties and damages.** Any person who delays, obstructs, or otherwise fails to cooperate with the commissioner's investigation may be issued a penalty of \$1,000. Each day of delay, obstruction, or failure to cooperate shall constitute a separate violation.

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

Sec. 25. Minnesota Statutes 2022, section 326B.701, is amended to read:

### **326B.701 CONSTRUCTION CONTRACTOR REGISTRATION.**

Subdivision 1. **Definitions.** The following definitions apply to this section:

(a) "Building construction or improvement services" means public or private sector commercial or residential building construction or improvement services.

~~(a)~~ (b) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that term is defined in paragraph (h), except the term does not include an individual.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Day" means calendar day unless otherwise provided.

(e) "Department" means the Department of Labor and Industry.

~~(b)~~ (f) "Document" or "documents" includes papers; books; records; memoranda; data; contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings; records; accounts; files; statements; letters; emails; invoices; bills; notes; and calendars maintained in any form or manner.

(g) "Individual" means a human being.

(h) "Person" means any individual, sole proprietor, limited liability company, limited liability partnership, corporation, partnership, incorporated or unincorporated association, joint stock company, or any other legal or commercial entity.

Subd. 2. **Applicability; registration requirement.** ~~(a) Persons who perform public or private sector commercial or residential building construction or improvement services as described in subdivision 2 must register with the commissioner as provided in this section. The purpose of registration is to assist the Department of Labor and Industry, the Department of Employment and Economic Development, and the Department of Revenue to enforce laws related to misclassification of employees.~~

~~(b)~~ (a) Except as provided in paragraph ~~(e)~~ (b), any person who provides or performs building construction or improvement services in the state on or after September 15, 2012, of Minnesota must register with the commissioner as provided in this section before providing or performing building construction or improvement services for another person. The requirements for registration under this section are not a substitute for, and do not relieve a person from complying with, any other law requiring that the person be licensed, registered, or certified.

~~(e)~~ (b) The registration requirements in this section do not apply to:

(1) a person who, at the time the person is providing or performing the building construction or improvement services, holds a current license, certificate, or registration under chapter 299M or 326B;

~~(2) a person who holds a current independent contractor exemption certificate issued under this section that is in effect on September 15, 2012, except that the person must register under this section no later than the date the exemption certificate expires, is revoked, or is canceled;~~

~~(3)~~ (2) a person who has given a bond to the state under section 326B.197 or 326B.46;

~~(4)~~ (3) an employee of the person providing or performing the building construction or improvement services, if the person was in compliance with laws related to employment of the individual at the time the construction services were performed;

~~(5)~~ (4) an architect or professional engineer engaging in professional practice as defined in section 326.02, subdivisions 2 and 3;

~~(6)~~ (5) a school district or technical college governed under chapter 136F;

~~(7)~~ (6) a person providing or performing building construction or improvement services on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf; or

~~(8)~~ (7) a person exempt from licensing under section 326B.805, subdivision 6, clause ~~(5)~~ (4).

Subd. 3. **Registration application.** (a) Persons required to register under this section must submit electronically, in the manner prescribed by the commissioner, a complete application according to ~~paragraphs (b) to (d)~~ this subdivision.

(b) A complete application must include all of the following information and documentation about ~~any individual who is registering as an individual or a sole proprietor, or who owns 25 percent or more of a business entity being registered~~ the person who is applying for a registration:

(1) the ~~individual's full~~ person's legal name ~~and title at the applicant's business~~;

(2) the person's assumed names filed with the secretary of state, if applicable;

~~(2)~~ (3) the ~~individual's business address and~~ person's telephone number;

~~(3) the percentage of the applicant's business owned by the individual; and~~

~~(4) the individual's Social Security number.~~

(c) A complete application must also include the following information:

~~(1) the applicant's legal name; assumed name filed with the secretary of state, if any; designated business address; physical address; telephone number; and email address;~~

~~(2) the applicant's Minnesota tax identification number, if one is required or has been issued;~~

~~(3) the applicant's federal employer identification number, if one is required or has been issued;~~

~~(4) evidence of the active status of the applicant's business filings with the secretary of state, if one is required or has been issued;~~

~~(5) whether the applicant has any employees at the time the application is filed;~~

~~(6) the names of all other persons with an ownership interest in the business entity who are not identified in paragraph (b), and the percentage of the interest owned by each person, except that the names of shareholders with less than ten percent ownership in a publicly traded corporation need not be provided;~~

~~(7) information documenting compliance with workers' compensation and unemployment insurance laws;~~

(4) the person's email address;

(5) the person's business address;

(6) the person's physical address, if different from the business address;

(7) the legal name, telephone number, and email address of the person's registered agent, if applicable, and the registered agent's business address and physical address, if different from the business address;

(8) the jurisdiction in which the person is organized, if that jurisdiction is not in Minnesota, as applicable;

(9) the legal name of the person in the jurisdiction in which it is organized, if the legal name is different than the legal name provided in clause (1), as applicable;

(10) all of the following identification numbers, if all of these identification numbers have been issued to the person. A complete application must include at least one of the following identification numbers:

(i) the person's Social Security number;

(ii) the person's Minnesota tax identification number; or

(iii) the person's federal employer identification number;

(11) evidence of the active status of the person's business filings with the secretary of state, if applicable;

(12) whether the person has any employees at the time the application is filed, and if so, how many employees the person employs;

(13) the legal names of all persons with an ownership interest in the business entity, if applicable, and the percentage of the interest owned by each person, except that the names of shareholders with less than ten percent ownership in a publicly traded corporation need not be provided;

(14) information documenting the person's compliance with workers' compensation and unemployment insurance laws for the person's employees, if applicable;

(15) whether the person or any persons with an ownership interest in the business entity as disclosed under clause (13) have been issued a notice of violation, administrative order, licensing order, or order to comply by the Department of Labor and Industry in the last ten years;

~~(8)~~ (16) a certification that the person individual signing the application has: reviewed it; determined asserts that the information and documentation provided is true and accurate; and determined that the person signing individual is authorized to sign and file the application as an agent or authorized representative of the applicant person. The name of the person individual signing, entered on an electronic application, shall constitute a valid signature of the agent or authorized representative on behalf of the applicant person; and

~~(9)~~ (17) a signed authorization for the Department of Labor and Industry to verify the information and documentation provided on or with the application.

~~(d)~~ (c) A registered person must notify the commissioner within 15 days after there is a change in any of the information on the application as approved. This notification must be provided electronically in the manner prescribed by the commissioner. However, if the business entity structure or legal form of the business entity has changed, the person must submit a new registration application and registration fee, if any, for the new business entity.

~~(e) The registered~~ (d) A person must ~~remain registered~~ maintain a current and up-to-date registration while providing or performing building construction or improvement services for another person. The provisions of sections 326B.091, 326B.094, 326B.095, and 326B.097 apply to this section. ~~A person with an expired registration shall not provide construction services for another person if registration is required under this section.~~ Registration application and expiration time frames are as follows:

~~(1) all registrations issued on or before December 31, 2015, expire on December 31, 2015;~~

~~(2) (1) all registrations issued after December 31, 2015, expire on the following December 31 of each odd-numbered year; and~~

~~(3) (2) a person may submit a registration or renewal application starting October 1 of the year the registration expires. If a renewal application is submitted later than December 1 of the expiration year, the registration may expire before the department has issued or denied the registration renewal.~~

Subd. 4. **Website.** (a) The commissioner shall develop and maintain a website on which ~~applicants for registration persons~~ can submit a registration or renewal application. The website shall be designed to receive and process registration applications and promptly issue registration certificates electronically to successful applicants.

(b) The commissioner shall maintain ~~the certificates of registration on the department's official public website, which shall include~~ the following information on the department's official public website:

(1) the registered person's legal ~~business~~ name, including any assumed name, ~~as~~ filed with the secretary of state;

(2) the legal names of the persons with an ownership interest in the business entity;

~~(2) (3) the registered person's business address designated and physical address, if different from the business address, provided on the application; and~~

~~(3) (4) the effective date of the registration and the expiration date.~~

Subd. 5. **Prohibited activities related to registration.** (a) The prohibited activities in this subdivision are in addition to those prohibited in ~~sections 326B.081 to 326B.085~~ section 326B.082, subdivision 11.

(b) A person who provides or performs building construction or improvement services ~~in the course of the person's trade, business, occupation, or profession~~ shall not:

(1) ~~contract with~~ provide or perform building construction or improvement services for another person without first being registered, ~~if required by~~ to be registered under this section;

(2) require an individual who is the person's employee to register; or

~~(2) contract with or pay~~ (3) engage another person to provide or perform building construction or improvement services if the other person is required to be registered under this section and is not registered ~~if required by subdivision 2. All payments to an unregistered person for construction services on a single project site shall be considered a single violation.~~ It is not a violation of this clause:

(i) for a person to ~~contract with or pay~~ have engaged an unregistered person if the unregistered person ~~was registered at the time the contract for construction services was entered into~~ held a current registration on the date they began providing or performing the building construction or improvement services; or



(ii) for a homeowner or business to ~~contract with or pay~~ engage an unregistered person if the homeowner or business is not in the trade, business, profession, or occupation of performing building construction or improvement services; ~~or,~~

~~(3) be penalized for violations of this subdivision that are committed by another person. This clause applies only to violations of this paragraph.~~

(c) Each day a person who is required to be registered provides or performs building construction or improvement services while unregistered shall be considered a separate violation.

Subd. 6. **Investigation and enforcement; remedies; and penalties.** (a) Notwithstanding the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if the person registers within 30 days of the date of the penalty order.

~~(b) The penalty for contracting with or paying an unregistered person to perform construction services in violation of subdivision 5, paragraph (b), clause (2), shall be as provided in section 326B.082, subdivisions 7 and 12, but the commissioner shall forgive the penalty for the first violation.~~

The commissioner may investigate and enforce this section under the authority in chapters 177 and 326B.

~~Subd. 7. **Notice requirement.** Notice of a penalty order for failure to register must include a statement that the penalty shall be forgiven if the person registers within 30 days of the date of the penalty order.~~

Subd. 8. **Data classified.** Data in applications and any required documentation submitted to the commissioner under this section are private data on individuals or nonpublic data as defined in section 13.02. ~~Data in registration certificates issued by the commissioner are public data; except that for the registration information published on the department's website may be accessed for registration verification purposes only.~~ Data that document a suspension, revocation, or cancellation of a certificate registration are public data. Upon request of ~~Notwithstanding its classification as private data on individuals or nonpublic data, data in applications and any required documentation submitted to the commissioner under this section may be used by the commissioner to investigate and take enforcement action related to laws for which the commissioner has enforcement responsibility and the commissioner may share data and documentation with the Department of Revenue, the Department of Commerce, the Department of Human Rights, or the Department of Employment and Economic Development.~~ The commissioner may release to the ~~requesting department~~ departments data classified as private or nonpublic under this subdivision or investigative data that are not public under section 13.39 that relate to ~~the issuance or denial of applications or revocations of certificates~~ prohibited activities under this section and section 181.723.

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

## ARTICLE 11 EARNED SICK AND SAFE TIME MODIFICATIONS

Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 177.50, 179.86, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.79, 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at

any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner. For the purposes of this subdivision, an employer includes a contractor that has assumed a subcontractor's liability within the meaning of section 181.165.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 177.50, is amended by adding a subdivision to read:

Subd. 6. **Rulemaking authority.** The commissioner may adopt rules to carry out the purposes of this section and sections 181.9445 to 181.9448.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 177.50, is amended by adding a subdivision to read:

Subd. 7. **Remedies.** (a) If an employer does not provide earned sick and safe time pursuant to section 181.9446, or does not allow the use of earned sick and safe time pursuant to section 181.9447, the employer is liable to all employees who were not provided or not allowed to use earned sick and safe time for an amount equal to all earned sick and safe time that should have been provided or could have been used, plus an additional equal amount as liquidated damages.

(b) If the employer does not possess records sufficient to determine the earned sick and safe time an employee should have been provided pursuant to paragraph (a), the employer is liable to the employee for an amount equal to 48 hours of earned sick and safe time for each year earned sick and safe time was not provided, plus an additional equal amount as liquidated damages.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 181.032, is amended to read:

**181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE TO EMPLOYEE.**

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print earnings statements, and must make statements available for review or printing for a period of three years.

(b) The earnings statement may be in any form determined by the employer but must include:

(1) the name of the employee;

(2) the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

(3) allowances, if any, claimed pursuant to permitted meals and lodging;

(4) the total number of hours worked by the employee unless exempt from chapter 177;

~~(5) the total number of earned sick and safe time hours accrued and available for use under section 181.9446;~~

~~(6) the total number of earned sick and safe time hours used during the pay period under section 181.9447;~~

~~(7)~~ (5) the total amount of gross pay earned by the employee during that period;

~~(8)~~ (6) a list of deductions made from the employee's pay;

~~(9)~~ (7) any amount deducted by the employer under section 268B.14, subdivision 3, and the amount paid by the employer based on the employee's wages under section 268B.14, subdivision 1;

~~(10)~~ (8) the net amount of pay after all deductions are made;

~~(11)~~ (9) the date on which the pay period ends;

~~(12)~~ (10) the legal name of the employer and the operating name of the employer if different from the legal name;

~~(13)~~ (11) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

~~(14)~~ (12) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) At the start of employment, an employer shall provide each employee a written notice containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis;

(5) a list of deductions that may be made from the employee's pay;

(6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive the first payment of wages earned;

(7) the legal name of the employer and the operating name of the employer if different from the legal name;

(8) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(9) the telephone number of the employer.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) An employer must provide the employee any written changes to the information contained in the notice under paragraph (d) prior to the date the changes take effect.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 181.9445, subdivision 4, is amended to read:

Subd. 4. **Earned sick and safe time.** "Earned sick and safe time" means leave, including paid time off and other paid leave systems, that is paid at the same ~~hourly base~~ rate as an employee earns from employment that may be used for the same purposes and under the same conditions as provided under section 181.9447, but in no case shall this ~~hourly base~~ rate be less than that provided under section 177.24 or an applicable local minimum wage.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 181.9445, is amended by adding a subdivision to read:

Subd. 4a. **Base rate.** "Base rate" means:

(1) for employees paid on an hourly basis, the same rate received per hour of work;

(2) for employees paid on an hourly basis who receive multiple hourly rates, the rate the employee would have been paid for the period of time in which leave was taken;

(3) for employees paid on a salary basis, the same rate guaranteed to the employee as if the employee had not taken the leave; and

(4) for employees paid solely on a commission, piecework, or any basis other than hourly or salary, a rate no less than the applicable local, state, or federal minimum wage, whichever is greater.

For purposes of this section and section 181.9446, base rate does not include commissions; shift differentials that are in addition to an hourly rate; premium payments for overtime work; premium payments for work on Saturdays, Sundays, holidays, or scheduled days off; bonuses; or gratuities as defined by section 177.23.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 181.9445, subdivision 5, is amended to read:

Subd. 5. **Employee.** "Employee" means any person who is employed by an employer, including temporary and part-time employees, who ~~performs~~ is anticipated by the employer to perform work for at least 80 hours in a year for that employer in Minnesota. Employee does not include:

(1) an independent contractor; ~~or~~

(2) an individual who is a volunteer firefighter or paid on-call firefighter, with a department charged with the prevention or suppression of fires within the boundaries of the state; is a volunteer ambulance attendant as defined in section 144E.001, subdivision 15; or is an ambulance service personnel as defined in section 144E.001, subdivision 3a, who serves in a paid on-call position;

(3) an individual who is an elected official or a person who is appointed to fill a vacancy in an elected office as part of a legislative or governing body of Minnesota or a political subdivision; or

(4) an individual employed by a farmer, family farm, or a family farm corporation to provide physical labor on or management of a farm if the farmer, family farm, or family farm corporation employs the individual to perform work for 28 days or less each year.

~~(2) an individual employed by an air carrier as a flight deck or cabin crew member who:~~

~~(i) is subject to United States Code, title 45, sections 181 to 188;~~

~~(ii) works less than a majority of their hours in Minnesota in a calendar year; and~~

~~(iii) is provided with paid leave equal to or exceeding the amounts in section 181.9446.~~

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 181.9446, is amended to read:

**181.9446 ACCRUAL OF EARNED SICK AND SAFE TIME.**

(a) An employee accrues a minimum of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours of earned sick and safe time in a year unless the employer agrees to a higher amount.

(b)(1) Except as provided in clause (2), employers must permit an employee to carry over accrued but unused sick and safe time into the following year. The total amount of accrued but unused earned sick and safe time for an employee must not exceed 80 hours at any time, unless an employer agrees to a higher amount.

(2) In lieu of permitting the carryover of accrued but unused sick and safe time into the following year as provided under clause (1), an employer may provide an employee with earned sick and safe time for the year that meets or exceeds the requirements of this section that is available for the employee's immediate use at the beginning of the subsequent year as follows: (i) 48 hours, if an employer pays an employee for accrued but unused sick and safe time at the end of a year at the same ~~hourly~~ base rate as an employee earns from employment and in no case at a rate less than that provided under section 177.24 or an applicable local minimum wage; or (ii) 80 hours, if an employer does not pay an employee for accrued but unused sick and safe time at the end of a year ~~at the same or greater hourly rate as an employee earns from employment. In no case shall this hourly rate be less than that provided under section 177.24, or an applicable local minimum wage.~~

(c) Employees who are exempt from overtime requirements under United States Code, title 29, section 213(a)(1), as amended through January 1, 2024, are deemed to work 40 hours in each workweek for purposes of accruing earned sick and safe time, except that an employee whose normal workweek is less than 40 hours will accrue earned sick and safe time based on the normal workweek.

(d) Earned sick and safe time under this section begins to accrue at the commencement of employment of the employee.

(e) Employees may use earned sick and safe time as it is accrued.

Sec. 9. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 1, is amended to read:

Subdivision 1. **Eligible use.** An employee may use accrued earned sick and safe time for:

(1) an employee's:

(i) mental or physical illness, injury, or other health condition;

(ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; ~~or~~

(iii) need for preventive medical or health care; or

(iv) need to make arrangements for or attend funeral services or a memorial, or address financial or legal matters that arise after the death of a family member;

(2) care of a family member:

(i) with a mental or physical illness, injury, or other health condition;

(ii) who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or other health condition; or

(iii) who needs preventive medical or health care;

(3) absence due to domestic abuse, sexual assault, or stalking of the employee or employee's family member, provided the absence is to:

(i) seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;

(ii) obtain services from a victim services organization;

(iii) obtain psychological or other counseling;

(iv) seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault, or stalking; or

(v) seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking;

(4) closure of the employee's place of business due to weather or other public emergency or an employee's need to care for a family member whose school or place of care has been closed due to weather or other public emergency;

(5) the employee's inability to work or telework because the employee is: (i) prohibited from working by the employer due to health concerns related to the potential transmission of a communicable illness related to a public emergency; or (ii) seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and such employee has been exposed to a communicable disease or the employee's employer has requested a test or diagnosis; and

(6) when it has been determined by the health authorities having jurisdiction or by a health care professional that the presence of the employee or family member of the employee in the community would jeopardize the health of others because of the exposure of the employee or family member of the employee to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease.

For the purposes of this subdivision, a public emergency shall include a declared emergency as defined in section 12.03 or a declared local emergency under section 12.29.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 3, is amended to read:

Subd. 3. **Documentation.** (a) When an employee uses earned sick and safe time for more than three consecutive scheduled work days, an employer may require reasonable documentation that the earned sick and safe time is covered by subdivision 1.

(b) For earned sick and safe time under subdivision 1, clauses (1), (2), (5), and (6), reasonable documentation may include a signed statement by a health care professional indicating the need for use of earned sick and safe time. However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation for the purposes of this paragraph may include a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose covered by subdivision 1, clause (1), (2), (5), or (6).

(c) For earned sick and safe time under subdivision 1, clause (3), an employer must accept a court record or documentation signed by a volunteer or employee of a victims services organization, an attorney, a police officer, or an antiviolence counselor as reasonable documentation. If documentation cannot be obtained in a reasonable time or without added expense, then reasonable documentation for the purposes of this paragraph may include a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose covered under subdivision 1, clause (3).

(d) For earned sick and safe time to care for a family member under subdivision 1, clause (4), an employer must accept as reasonable documentation a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose as reasonable documentation.

(e) An employer must not require disclosure of details relating to domestic abuse, sexual assault, or stalking or the details of an employee's or an employee's family member's medical condition as related to an employee's request to use earned sick and safe time under this section.

(f) Written statements by an employee may be written in the employee's first language and need not be notarized or in any particular format.

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 5, is amended to read:

Subd. 5. **Increment of time used.** Earned sick and safe time may be used in the ~~smallest increment of time tracked by the employer's payroll system, provided such increment is not more than four hours~~ same increment of time for which employees are paid, provided an employer is not required to provide leave in less than 15-minute increments nor can the employer require use of earned sick and safe time in more than four-hour increments.

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

Sec. 12. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 10, is amended to read:

Subd. 10. **Employer records and required statement to employees.** (a) Employers shall retain accurate records documenting hours worked by employees and earned sick and safe time taken and comply with all requirements under section 177.30.

(b) At the end of each pay period, the employer shall provide, in writing or electronically, information stating the employee's current amount of:

(1) the total number of earned sick and safe time hours available to the employee for use under section 181.9446; and

(2) the total number of earned sick and safe time hours used during the pay period under section 181.9447.

Employers may choose a reasonable system for providing this information, including but not limited to listing information on or attached to each earnings statement or an electronic system where employees can access this information. An employer who chooses to provide this information by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print.

~~(b)~~ (c) An employer must allow an employee to inspect records required by this section and relating to that employee at a reasonable time and place.

(d) The records required by this section must be kept for three years.

(e) All records required to be kept under this section must be readily available for inspection by the commissioner upon demand. The records must be either kept at the place where employees are working or kept in a manner that allows the employer to comply with this paragraph within 72 hours.

Sec. 13. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 11, is amended to read:

Subd. 11. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section, an employer possesses:

(1) health or medical information regarding an employee or an employee's family member;

(2) information pertaining to domestic abuse, sexual assault, or stalking;

(3) information that the employee has requested or obtained leave under this section; or

(4) any written or oral statement, documentation, record, or corroborating evidence provided by the employee or an employee's family member, the employer must treat such information as confidential.



Information given by an employee may only be disclosed by an employer if the disclosure is requested or consented to by the employee, when ordered by a court or administrative agency, or when otherwise required by federal or state law.

(b) Records and documents relating to medical certifications, recertifications, or medical histories of employees or family members of employees created for purposes of section 177.50 or sections 181.9445 to 181.9448 must be maintained as confidential medical records separate from the usual personnel files. At the request of the employee, the employer must destroy or return the records required by sections 181.9445 to 181.9448 that are older than three years prior to the current calendar year, unless state or federal law, rule, or regulation requires the employer to retain such records.

(c) Employers may not discriminate against any employee based on records created for the purposes of section 177.50 or sections 181.9445 to 181.9448.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 181.9447, is amended by adding a subdivision to read:

**Subd. 12. Weather event exception.** Notwithstanding subdivision 1, an employee may not use sick and safe time under the conditions in subdivision 1, clause (4), if:

(1) the employee's preassigned or foreseeable work duties during a public emergency or weather event would require the employee to respond to the public emergency or weather event;

(2) the employee is a firefighter; a peace officer subject to licensure under sections 626.84 to 626.863; a 911 telecommunicator as defined in section 403.02, subdivision 17c; a guard at a correctional facility; or a public employee holding a commercial driver's license; and

(3) one of the following two conditions are met:

(i) the employee is represented by an exclusive representative under section 179A.03, subdivision 8, and the collective bargaining agreement or memorandum of understanding governing the employee's position explicitly references section 181.9447, subdivision 1, clause (4), and clearly and unambiguously waives application of that section for the employee's position; or

(ii) the employee is not represented by an exclusive representative, the employee is needed for the employer to maintain minimum staffing requirements, and the employer has a written policy explicitly referencing section 181.9447, subdivision 1, clause (4), that is provided to such employees in a manner that meets the requirements of other earned sick and safe time notices under section 181.9447, subdivision 9.

Sec. 15. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 1, is amended to read:

Subdivision 1. **No Effect on more generous sick and safe time policies.** (a) Nothing in sections 181.9445 to 181.9448 shall be construed to discourage employers from adopting or retaining earned sick and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9448. All paid time off and other paid leave made available to an employee by an employer in excess of the minimum amount required in section 181.9446 for absences from work due to personal illness or injury, but not including short-term or long-term disability or other salary continuation benefits, must meet or exceed the minimum standards and requirements provided in sections 181.9445 to 181.9448, except for section 181.9446. For paid leave accrued prior to January 1, 2024, for absences from work due to personal illness or injury, an employer may require an employee who uses such leave to follow the written notice and documentation

requirements in the employer's applicable policy or applicable collective bargaining agreement as of December 31, 2023, in lieu of the requirements of section 181.9447, subdivisions 2 and 3, provided that an employer does not require an employee to use leave accrued on or after January 1, 2024, before using leave accrued prior to that date.

(b) Nothing in sections 181.9445 to 181.9448 shall be construed to limit the right of parties to a collective bargaining agreement to bargain and agree with respect to earned sick and safe time policies or to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in this section.

(c) Nothing in sections 181.9445 to 181.9448 shall be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for a greater amount, accrual, or use by employees of paid sick and safe time or that extends other protections to employees.

(d) Nothing in sections 181.9445 to 181.9448 shall be construed or applied so as to create any power or duty in conflict with federal law.

(e) Employers who provide earned sick and safe time to their employees under a paid time off policy or other paid leave policy that may be used for the same purposes and under the same conditions as earned sick and safe time, and that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9448 are not required to provide additional earned sick and safe time.

(f) The provisions of sections 181.9445 to 181.9448 may be waived by a collective bargaining agreement with a bona fide building and construction trades labor organization that has established itself as the collective bargaining representative for the affected building and construction industry employees, provided that for such waiver to be valid, it shall explicitly reference sections 181.9445 to 181.9448 and clearly and unambiguously waive application of those sections to such employees.

(g) The requirements of section 181.9447, subdivision 3, may be waived for paid leave made available to an employee by an employer for absences from work in excess of the minimum amount required in section 181.9446 through a collective bargaining agreement with a labor organization that has established itself as the collective bargaining representative for the employees, provided that for such waiver to be valid, it shall explicitly reference section 181.9447, subdivision 3, and clearly and unambiguously waive application of that subdivision to such employees.

(h) An individual provider, as defined in section 256B.0711, subdivision 1, paragraph (d), who provides services through a consumer support grant under section 256.476, consumer-directed community supports under section 256B.4911, or community first services and supports under section 256B.85, to a family member who is a participant, as defined in section 256B.0711, subdivision 1, paragraph (e), may individually waive the provisions of sections 181.9445 to 181.9448 for the remainder of the participant's service plan year, provided that the funds are returned to the participant's budget. Once an individual provider has waived the provisions of sections 181.9445 to 181.9448, they may not accrue earned sick and safe time until the start of the participant's next service plan year.

~~(g)~~ (i) Sections 181.9445 to 181.9448 do not prohibit an employer from establishing a policy whereby employees may donate unused accrued sick and safe time to another employee.

~~(h)~~ (j) Sections 181.9445 to 181.9448 do not prohibit an employer from advancing sick and safe time to an employee before accrual by the employee.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except paragraph (a) is effective January 1, 2025.

Sec. 16. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 2, is amended to read:

Subd. 2. **Termination; separation; transfer.** Sections 181.9445 to 181.9448 do not require financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned sick and safe time that has not been used. If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned sick and safe time accrued at the prior division, entity, or location and is entitled to use all earned sick and safe time as provided in sections 181.9445 to 181.9448. When there is a separation from employment and the employee is rehired within 180 days of separation by the same employer, previously accrued earned sick and safe time that had not been used or otherwise disbursed to the benefit of the employee upon separation must be reinstated. An employee is entitled to use accrued earned sick and safe time and accrue additional earned sick and safe time at the commencement of reemployment.

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

Sec. 17. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 3, is amended to read:

Subd. 3. **Employer succession.** (a) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned sick and safe time accrued but not used when employed by the original employer, and are entitled to use all earned sick and safe time previously accrued but not used.

(b) ~~If, at the time of transfer of the business,~~ employees are terminated by the original employer and hired within 30 days by the successor employer following the ~~transfer~~ employer succession, those employees are entitled to all earned sick and safe time accrued but not used when employed by the original employer, and are entitled to use all earned sick and safe time previously accrued but not used.

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

## ARTICLE 12 UNIVERSITY OF MINNESOTA COLLECTIVE BARGAINING

Section 1. Minnesota Statutes 2022, section 179A.11, subdivision 1, is amended to read:

Subdivision 1. **Units.** (a) The following are ~~the~~ appropriate units of University of Minnesota employees. The listed units include but are not limited to the positions described. A position may be added to a unit if the commissioner makes a determination under section 179A.09 that the unit is appropriate for the position. All units shall exclude managerial and confidential employees. ~~Supervisory employees shall only be assigned to unit 13. No additional units of University of Minnesota employees shall be recognized for the purpose of meeting and negotiating.~~

(1) The Law Enforcement Unit ~~consists of~~ includes the positions of all employees with the power of arrest.

(2) The Craft and Trades Unit ~~consists of~~ includes the positions of all employees whose work requires specialized manual skills and knowledge acquired through formal training or apprenticeship or equivalent on-the-job training or experience.

(3) The Service, Maintenance, and Labor Unit ~~consists of~~ includes the positions of all employees whose work is typically that of maintenance, service, or labor and which does not require extensive previous training or experience, except as provided in unit 4.

(4) The Health Care Nonprofessional and Service Unit ~~consists of~~ includes the positions of all nonprofessional employees of the University of Minnesota hospitals, dental school, and health service whose work is unique to those settings, excluding labor and maintenance employees as defined in unit 3.

(5) The Nursing Professional Unit ~~consists of~~ includes all positions which are required to be filled by registered nurses.

(6) The Clerical and Office Unit ~~consists of~~ includes the positions of all employees whose work is typically clerical or secretarial, including nontechnical data recording and retrieval and general office work, except as provided in unit 4.

(7) The Technical Unit ~~consists of~~ includes the positions of all employees whose work is not typically manual and which requires specialized knowledge or skills acquired through two-year academic programs or equivalent experience or on-the-job training, except as provided in unit 4.

~~(8) The Twin Cities Instructional Unit consists of the positions of all instructional employees with the rank of professor, associate professor, assistant professor, including research associate or instructor, including research fellow, located on the Twin Cities campuses.~~

~~(9)~~ (8) The Outstate Instructional Unit ~~consists of~~ includes the positions of all instructional employees with the rank of professor, associate professor, assistant professor, including research associate or instructor, including research fellow, located at the Duluth campus, provided that the positions of instructional employees of the same ranks at the Morris, Crookston, or ~~Waseca~~ Rochester campuses shall be included within this unit if a majority of the eligible employees voting at a campus so vote during an election conducted by the commissioner, provided that the election or majority verification procedure shall not be held until the Duluth campus has voted in favor of representation. The election shall be held or majority verification procedure shall take place when an employee organization or group of employees petitions the commissioner stating that a majority of the eligible employees at one of these campuses wishes to join the unit and this petition is supported by a showing of at least 30 percent support from eligible employees at that campus and is filed between September 1 and November 1.

~~Should both units 8 and 9 elect exclusive bargaining representatives, those representatives may by mutual agreement jointly negotiate a contract with the regents, or may negotiate separate contracts with the regents. If the exclusive bargaining representatives jointly negotiate a contract with the regents, the contract shall be ratified by each unit. For the purposes of this section, an "instructional employee" is an individual who spends 35 percent or more of their work time creating, delivering, and assessing the mastery of credit-bearing coursework.~~

(10) The Graduate Assistant Unit ~~consists of~~ includes the positions of all graduate assistants who are enrolled in the graduate school and who hold the rank of research assistant, teaching assistant, teaching associate I or II, project assistant, graduate school fellow, graduate school trainee, professional school fellow, professional school trainee, or administrative fellow I or II. The listed ranks do not coincide with the ranks that are categorized by the University of Minnesota as professionals in training, even though in some cases the job titles may be the same.

~~(11) The Academic Professional and Administrative Staff Unit consists of all academic professional and administrative staff positions that are not defined as included in an instructional unit, the supervisory unit, the clerical unit, or the technical unit.~~

~~(12) The Noninstructional Professional Unit consists of the positions of all employees meeting the requirements of section 179A.03, subdivision 13, clause (1) or (2), which are not defined as included within an instructional unit, the Academic Professional and Administrative Staff Unit, or the supervisory unit.~~

~~(13) The Supervisory Employees Unit consists of the positions of all supervisory employees.~~

(b) An employee of the University of Minnesota whose position is not enumerated in paragraph (a) may petition the commissioner to determine an appropriate unit for the position. The commissioner must make a determination for an appropriate unit as provided in section 179A.09 and the commissioner must give special weight to the desires of the petitioning employee or representatives of the petitioning employee.

Sec. 2. Minnesota Statutes 2022, section 179A.11, subdivision 2, is amended to read:

Subd. 2. **University of Minnesota employee severance.** (a) Each of the following groups of University of Minnesota employees has the right, as specified in this subdivision, to separate from the instructional and supervisory units: (1) health sciences instructional employees at all campuses with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (2) instructional employees of the law school with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (3) instructional supervisors, (4) noninstructional professional supervisors, and (5) academic professional and administrative staff supervisors.

~~This~~ (b) The right to separate may be exercised:

(1) by petition between September 1 and November 1. If a group separates from its unit, it has no right to meet and negotiate, but retains the right to meet and confer with the appropriate officials on any matter of concern to the group. The right to separate must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their unit may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support from the employees, the commissioner ~~shall~~ may hold an election on the separation issue or the petitioning group may proceed under the process set forth in section 179A.12. This election must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from their unit, the commissioner shall certify that result; or

(2) by the group's exclusion from a proposed unit in a representation petition.

(c) Where not inconsistent with other provisions of this section, the election is governed by section 179A.12. If a group of employees severs, it may rejoin that unit by following the procedures for severance during the periods for severance.

Sec. 3. Minnesota Statutes 2022, section 179A.11, is amended by adding a subdivision to read:

Subd. 3. **Joint bargaining.** Units organized under this section that have elected exclusive bargaining representatives may by mutual agreement of the exclusive representatives jointly negotiate a contract with the regents or may negotiate separate contracts with the regents. If the exclusive bargaining representatives jointly negotiate a contract with the regents, the contract must be ratified by each unit.

## ARTICLE 13 BROADBAND AND PIPELINE SAFETY

Section 1. Minnesota Statutes 2022, section 116J.395, subdivision 6, is amended to read:

Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the commissioner shall give priority to applications that are constructed in areas identified by the director of the Office of Broadband Development as unserved.

(b) In evaluating applications and awarding grants, the commissioner may give priority to applications that:

(1) are constructed in areas identified by the director of the Office of Broadband Development as underserved;

(2) offer new or substantially upgraded broadband service to important community institutions including, but not limited to, libraries, educational institutions, public safety facilities, and healthcare facilities;

(3) facilitate the use of telehealth and electronic health records;

(4) serve economically distressed areas of the state, as measured by indices of unemployment, poverty, or population loss that are significantly greater than the statewide average;

(5) provide technical support and train residents, businesses, and institutions in the community served by the project to utilize broadband service;

(6) include a component to actively promote the adoption of the newly available broadband services in the community;

(7) provide evidence of strong support for the project from citizens, government, businesses, and institutions in the community;

(8) provide access to broadband service to a greater number of unserved or underserved households and businesses; ~~or~~

(9) leverage greater amounts of funding for the project from other private and public sources; or

(10) commit to implementation of workforce best practices, meaning all laborers and mechanics performing construction, installation, remodeling, or repairs on the project sites for which the grant is provided:

(i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the applicant and all of its construction contractors and subcontractors agree that the payment of prevailing wage to such laborers and mechanics is subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45, which the commissioner of labor and industry shall have the authority to enforce; or

(ii) receive from the employer:

(A) at least 40 hours of hands-on skills training annually;

(B) employer-paid family health insurance coverage; and

(C) employer-paid retirement benefit payments equal to no less than 15 percent of the employee's total taxable wages.

(c) The commissioner shall endeavor to award grants under this section to qualified applicants in all regions of the state.

(d) The commissioner shall endeavor to award no less than 50 percent of grant awards from general fund appropriations for the border-to-border broadband grant program under section 116J.396 for applicants that agree to implement the workforce best practices in this section. The applicant's agreement to implement the workforce best practices described in paragraph (b) must be an express condition of providing the grant in the grant agreement.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2022, section 116J.395, is amended by adding a subdivision to read:

**Subd. 9. Workforce plan data.** (a) Grantees that serve more than 10,000 broadband customers and are receiving funding for projects under this section are required to provide in annual reports information on the workforce performing installation work funded through the grant, including:

(1) the number of installation labor hours performed by workforce directly employed by the grantee or the Internet service provider;

(2) the number of installation labor hours performed by contractors and subcontractors on grant-funded projects with subtotals for hours worked by Minnesota residents, people of color, Indigenous people, women, and people with disabilities;

(3) the name, business address, and number of labor hours performed by each contractor and subcontractor that participated in construction of a grant-funded project;

(4) the percentages of workforce performing installation labor whose straight-time hourly pay rate was at least \$25 and who received employer-paid medical coverage and retirement benefits; and

(5) any other workforce plan information as determined by the commissioner.

(b) Following an award, the workforce plan and the requirement to submit ongoing workforce reports shall be incorporated as material conditions of the contract with the department and become enforceable, certified commitments.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 3. Minnesota Statutes 2022, section 116J.395, is amended by adding a subdivision to read:

**Subd. 10. Failure to meet requirements or falsification of data.** If successful applicants fail to meet the program requirements under this section, or otherwise falsify information regarding such requirements, the commissioner shall investigate the failure and issue an appropriate action, up to and including a determination that the applicant is ineligible for future participation in broadband grant programs funded by the department.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2022, section 216B.17, is amended by adding a subdivision to read:

**Subd. 9. Telecommunications and cable communications systems.** (a) The commission has authority under this section to investigate, upon complaint or on its own motion, conduct by or on behalf of a telecommunications carrier, telephone company, or cable communications system provider that impacts public utility or cooperative electric association infrastructure. If the commission finds that the conduct damaged or unreasonably interfered with the function of the infrastructure, the commission may take any action authorized under sections 216B.52 to 216B.61 with respect to the provider.

(b) For purposes of this subdivision:

(1) "telecommunications carrier" has the meaning given in section 237.01, subdivision 6;

(2) "telephone company" has the meaning given in section 237.01, subdivision 7; and

(3) "cable communications system provider" means an owner or operator of a cable communications system as defined in section 238.02, subdivision 3.

Sec. 5. **[326B.198] UNDERGROUND TELECOMMUNICATIONS INFRASTRUCTURE.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) "directional drilling" means a drilling method that utilizes a steerable drill bit to cut a bore hole for installing underground utilities;

(2) "safety-qualified underground telecommunications installer" means a person who has completed underground utilities installation certification under subdivision 3;

(3) "underground telecommunications utilities" means buried broadband, telephone and other telecommunications transmission, distribution and service lines, and associated facilities; and

(4) "underground utilities" means buried electric transmission and distribution lines, gas and hazardous liquids pipelines and distribution lines, sewer and water pipelines, telephone or telecommunications lines, and associated facilities.

Subd. 2. **Installation requirements.** (a) The installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities must be performed by safety-qualified underground telecommunications installers as follows:

(1) the location of existing utilities by hand- or hydro-excavation or other accepted methods must be performed by a safety-qualified underground telecommunications installer;

(2) where telecommunications infrastructure is installed by means of directional drilling, the monitoring of the location and depth of the drill head must be performed by a safety-qualified underground telecommunications installer; and

(3) no fewer than two safety-qualified underground telecommunications installers must be present at all times at any location where telecommunications infrastructure is being installed by means of directional drilling.

(b) Beginning July 1, 2025, all installations of underground telecommunications infrastructure subject to this subdivision within the seven-county metropolitan area must be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.

(c) Beginning January 1, 2026, all installations of underground telecommunications infrastructure subject to this subdivision within this state must be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.

Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry, in consultation with the Office of Broadband, shall approve standards for a safety-qualified underground telecommunications installer certification program that requires a person to:

(1) complete a 40-hour initial course that includes classroom and hands-on instruction covering proper work procedures for safe installation of underground utilities, including:

(i) regulations applicable to excavation near existing utilities;

(ii) identification, location, and verification of utility lines using hand- or hydro-excavation or other accepted methods;

(iii) response to line strike incidents;



(iv) traffic control procedures;

(v) use of a tracking device to safely guide directional drill equipment along a drill path; and

(vi) avoidance and mitigation of safety hazards posed by underground utility installation projects;

(2) demonstrate knowledge of the course material by successfully completing an examination approved by the commissioner; and

(3) complete a four-hour refresher course within three years of completing the original course and every three years thereafter in order to maintain certification.

(b) The commissioner must develop an approval process for training providers under this subdivision and may suspend or revoke the approval of any training provider that fails to demonstrate consistent delivery of approved curriculum or success in preparing participants to complete the examination.

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

## ARTICLE 14 HOUSING APPROPRIATIONS

### Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

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

### Sec. 2. **HOUSING FINANCE AGENCY**

#### Subdivision 1. **Total Appropriation**

<b><u>\$-0-</u></b>	<b><u>\$8,680,000</u></b>
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(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section.

#### Subd. 2. **Family Homeless Prevention**

<b><u>-0-</u></b>	<b><u>8,109,000</u></b>
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This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204. Notwithstanding procurement provisions outlined in Minnesota

Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees. This is a onetime appropriation.

**Subd. 3. Minnesota Homeless Study**

**-0-**

**100,000**

This appropriation is for a grant to the Amherst H. Wilder Foundation for the Minnesota homeless study. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs. This is a onetime appropriation.

**Subd. 6. Expediting Rental Assistance**

**-0-**

**471,000**

This appropriation is for the agency's work under article 16 of this act. This is a onetime appropriation. Any unspent portion of the appropriation shall be transferred to the family homeless prevention and assistance program.

**Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY**

**\$-0-**

**\$225,000**

This appropriation is for the single-egress stairway apartment building report under article 15, section 46. This is a onetime appropriation.

**Sec. 4. SUPREME COURT**

**\$-0-**

**\$545,000**

This appropriation is for the implementation of Laws 2023, chapter 52, article 19, sections 117 to 119. This is a onetime appropriation and is available until June 30, 2026.

**Sec. 5. LEGISLATIVE COORDINATING COMMISSION**

**\$-0-**

**\$400,000**

(a) \$200,000 is for a contract to facilitate, and the administrative costs of, the Task Force on Long-Term Sustainability of Affordable Housing established in article 15, section 49. This is a onetime appropriation.

(b) \$200,000 is for a contract to facilitate, and the administrative costs of, the working group on common interest communities and homeowners associations established in article 15, section 48. This is a onetime appropriation.

**Sec. 6. HUMAN SERVICES**

**\$-0-**

**\$150,000**

This appropriation 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. This appropriation is in addition to any other appropriation enacted in the 2024 session of the legislature for this purpose.

Sec. 7. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. <b>Challenge Program</b>	60,425,000	<del>60,425,000</del> <u>53,425,000</u>
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(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, \$6,425,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) Of the amount in the first year, \$5,000,000 is for a grant to Urban Homeworks to expand initiatives pertaining to deeply affordable homeownership in Minneapolis neighborhoods with over 40 percent of residents identifying as Black, Indigenous, or People of Color and at least 40 percent of residents making less than 50 percent of the area median income. The grant is to be used for acquisition, rehabilitation, gap financing as defined in Minnesota Statutes, section 462A.33, subdivision 1, and construction of homes to be sold to households with incomes ~~of 50 to at or below~~ 60 percent of the area median income. This is a onetime appropriation, ~~and is available until June 30, 2027.~~ By December 15 each year ~~until 2027~~, Urban Homeworks must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the amount used for (1) acquisition, (2) rehabilitation, and (3) construction of housing units, along with the number of housing units acquired, rehabilitated, or constructed, and the amount of the appropriation that has been spent. If any home was sold or transferred within the year covered by the report, Urban Homeworks must include the price at which the home was sold, as well as how much was spent to complete the project before sale.

(d) Of the amount in the first year, \$2,000,000 is for a grant to Rondo Community Land Trust. This is a onetime appropriation.

(e) The base for this program in fiscal year 2026 and beyond is \$12,925,000.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 8. Laws 2023, chapter 37, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. <b>Workforce Homeownership Program</b>	<del>20,250,000</del> <u>17,250,000</u>	250,000
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(a) This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

(b) The base for this program in fiscal year 2026 and beyond is \$250,000.

Sec. 9. Laws 2023, chapter 37, article 1, section 2, subdivision 18, is amended to read:

Subd. 18. <b>Supportive Housing</b>	25,000,000	-0-
	<u>10,000,000</u>	

This appropriation is for the supportive housing program under Minnesota Statutes, section 462A.42. This is a onetime appropriation.

Sec. 10. Laws 2023, chapter 37, article 1, section 2, subdivision 25, is amended to read:

Subd. 25. <b>Manufactured Home Lending <del>Grants</del> Program</b>	10,000,000	-0-
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(a) This appropriation is for ~~the~~ a grant to NeighborWorks Home Partners for a manufactured home lending ~~grant~~ program. This is a onetime appropriation.

(b) The funds must be used for new manufactured home financing programs; manufactured home down payment assistance; or manufactured home repair, renovation, removal, and site preparation financing programs.

(c) Interest earned and repayments of principal from loans issued under this subdivision must be used for the purposes of this subdivision.

(d) For the purposes of this subdivision, the term "manufactured home" has the meaning given in Minnesota Statutes, section 327B.01, subdivision 13.

Sec. 11. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

Subd. 29. <b>Community Stabilization</b>	45,000,000	<del>45,000,000</del>
		<u>70,000,000</u>

(a) This appropriation is for the community stabilization program. This a onetime appropriation. ~~Of this amount, \$10,000,000 is for a grant to AEON for Huntington Place.~~

(b) The first year and second year appropriations are available as follows:

(1) \$10,000,000 is for a grant to AEON for Huntington Place;

(2) notwithstanding Minnesota Statutes, sections 16B.98, subdivisions 5 and 12, and 16B.981, subdivision 2, \$3,250,000 is for a grant to the Wilder Park Association to assist with the cost of a major capital repair project for the rehabilitation of portions of

the owner-occupied senior high-rise facility. The grantee must verify that 50 percent of units are occupied by households with incomes at or below 60 percent of area median income;

(3) \$41,750,000 is for multiunit rental housing;

(4) \$10,000,000 is for single-family housing; and

(5) \$50,000,000 is for recapitalization of distressed buildings. Of this amount, up to \$15,000,000 is for preservation or recapitalization of housing that includes supportive housing.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs for the grants in paragraph (b), clauses (1) and (2). This is a onetime appropriation.

Sec. 12. **AVAILABILITY OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.**

(a) Money appropriated in section 2 and section 11, paragraph (b), clauses (1) and (2), for grants must not be spent on institutional overhead charges that are not directly related to and necessary for the grant.

(b) By February 15, 2025, the commissioner shall report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy on the anticipated costs for administering each grant in section 2 and section 11, paragraph (b), clauses (1) and (2). Within 90 days after a grantee has fulfilled the obligations of their grant agreement, the commissioner shall report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy on the final cost for administering each grant in section 2 and section 11, paragraph (b), clauses (1) and (2).

Sec. 13. **REPEALER.**

Laws 2023, chapter 37, article 2, section 13, is repealed.

ARTICLE 15  
HOUSING POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 82.75, subdivision 8, is amended to read:

Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the Minnesota Housing Finance Agency for deposit in the housing trust fund account created under section 462A.201 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the financial institution to:

(1) pay the interest, less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the Minnesota Housing Finance Agency; and

(2) send a statement to the Minnesota Housing Finance Agency showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The Minnesota Housing Finance Agency shall credit the amount collected under this subdivision to the housing trust fund account established in section 462A.201.

(c) The financial institution must promptly notify the agency if a draft drawn on the account is dishonored. A draft is not dishonored if a stop payment order is requested by an issuer who has a good faith defense to payment on the draft.

~~(d) By January 15 of each year, the Minnesota Housing Finance Agency must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy. The report must specify the amount of funds deposited under this subdivision in the housing trust fund account established under section 462A.201 during the most recently concluded fiscal year. The report must also include a history of deposits made under this section, in nominal dollar amounts and in the present value of those amounts, calculated using the Consumer Price Index All Items (United States city average).~~

Sec. 2. Minnesota Statutes 2022, section 383B.145, subdivision 5, is amended to read:

Subd. 5. **Set-aside contracts.** (a) Notwithstanding any other law to the contrary, the board may set aside an amount, for each fiscal year, for awarding contracts to businesses and social services organizations ~~which have a majority of employees~~ that employ persons who would be eligible for public assistance or who would require rehabilitative services in the absence of their employment. The set-aside amount may not exceed two percent of the amount appropriated by the board in the budget for the preceding fiscal year. Failure by the board to designate particular procurements for the set-aside program shall not prevent vendors from seeking the procurement award through the normal solicitation and bidding processes pursuant to the provisions of the Uniform Municipal Contracting Act, section 471.345.

(b) The board may elect to use a negotiated price or bid contract procedure in the awarding of a procurement contract under the set-aside program. The amount of the award shall not exceed by more than five percent the estimated price for the goods or services, if they were to be purchased on the open market and not under the set-aside program.

(c) Before contracting with a business or social service organization under the set-aside program, the board or authorized person shall conduct an investigation of the business or social service organization with whom it seeks to contract and shall make findings, to be contained in the provisions of the contract, that:

(1) the vendor either:

(i) has in its employ at least 50 percent of its employees who would be eligible to receive some form of public assistance or other rehabilitative services in the absence of the award of a contract to the vendor; or

(ii) if the vendor is a business providing construction services, has in its employ to deliver the set-aside contract as many employees who would be eligible to receive some form of public assistance or other rehabilitative services in the absence of the award of a contract to the vendor as is practicable in consideration of industry safety standards, established supervisory ratios for apprentices, and requirements for licensed persons to perform certain work;

(2) the vendor has elected to apply to the board for a contract under the set-aside provisions; and

(3) the vendor is able to perform the set-aside contract.

(d) The board shall publicize the provisions of the set-aside program, attempt to locate vendors able to perform set-aside procurement contracts and otherwise encourage participation therein.

Sec. 3. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

Subd. 10. **Energy conservation, decarbonization, and climate resilience.** It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and persons of low and moderate income in particular. These conditions are adverse to the health, welfare, and safety of all of the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by all citizens of the state, while giving preference to low and moderate income people, to assist in the installation in their dwellings of reasonably priced energy conserving systems including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency ~~of~~, clean energy, greenhouse gas emissions reduction, climate resiliency, and other qualified projects for all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 4. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation ~~related improvements,~~ decarbonization, climate resiliency, and other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

- (1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;
- (2) home care is appropriate; and
- (3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or fewer dwelling units, one of which is occupied by the owner.

Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. Rehabilitation may include replacement of manufactured homes. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency ~~of, clean energy, greenhouse gas emissions reductions, climate resiliency, and other qualified projects~~ in the dwelling. No loan for rehabilitation of owner-occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments.

Sec. 6. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

Subd. 14b. **Energy conservation, decarbonization, and climate resiliency loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy conservation ~~rehabilitation measures, decarbonization, climate resiliency, and other qualified projects~~ for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking; chimney construction or improvement; furnace or space heater repair, cleaning or replacement; central air conditioner installation, repair, maintenance, or replacement; air source or geothermal heat pump installation, repair, maintenance, or replacement; insulation; windows and doors; and structural or other directly related repairs or installations essential for energy conservation, decarbonization, climate resiliency, and other qualified projects. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Loans under this subdivision or subdivision 14 may:

- (1) be integrated with a utility's on-bill repayment program approved under section 216B.241, subdivision 5d; and
- (2) also be made for the installation of on-site solar energy or energy storage systems.

Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 504B.425, paragraph (d). No grant shall be made unless the agency determines that the grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation ~~related improvements, decarbonization, climate resiliency, or other qualified projects~~. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of



administering this provision, establish codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any grant shall not exceed the lesser of (a) \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without spending an unreasonable portion of the income of the person or family thereon. In making grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required.

(b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing under this subdivision to persons of low and moderate income for the purpose of qualifying as foster parents.

Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

Subd. 15b. **Energy conservation, decarbonization, and climate resiliency grants.** (a) It may make grants to assist in energy conservation ~~rehabilitation measures~~, decarbonization, climate resiliency, and other qualified projects for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy conservation, decarbonization, climate resiliency, and other qualified projects. The grant to any household shall not exceed \$2,000.

(b) To be eligible for an emergency energy conservation, decarbonization, and climate resiliency grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section 326B.106, subdivision 1, for the purpose of energy improvements, decarbonization, climate resiliency, and other qualified projects necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter-occupied homes or apartments that do not comply with standards set forth in section 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption, that will decarbonize, and that will ensure the climate resiliency of housing.

Sec. 11. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended to read:

Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

Sec. 12. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote efficiency in program administration, underwriting, and compliance, the commissioner may adjust income or rent limits for any multifamily capital funding program authorized under state law to align with federal rent or income limits in sections 42 and 142 of the Internal Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt from the rulemaking requirements of chapter 14.

Sec. 13. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 19. **Report to the legislature.** (a) By February 15 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy containing the following information:

(1) the total number of applications for funding;

(2) the amount of funding requested;

(3) the amounts of funding awarded; and

(4) the number of housing units that are affected by funding awards, including the number of:

(i) newly constructed owner-occupied units;

(ii) renovated owner-occupied units;

(iii) newly constructed rental units; and

(iv) renovated rental units.

(b) This reporting requirement applies to appropriations for competitive development programs made in Laws 2023 and in subsequent laws.

Sec. 14. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

**Subd. 20. Eligibility for agency programs.** The agency may determine that a household or project unit meets the rent or income requirements for a program if the household or unit receives or participates in income-based state or federal public assistance benefits, including but not limited to:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

(3) housing support under chapter 256I;

(4) Minnesota family investment program and diversionary work program under chapter 256J; and

(5) economic assistance programs under chapter 256P.

Sec. 15. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

**Subd. 7. Energy efficiency loans.** The agency may make loans to low and moderate income persons who own existing residential housing for the purpose of improving the ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted improvements shall include installation or upgrading of ceiling, wall, floor and duct insulation, storm windows and doors, and caulking and weatherstripping. The improvements shall not be inconsistent with the energy standards as promulgated as part of the State Building Code; provided that the improvements need not bring the housing into full compliance with the energy standards. Any loan for such purpose shall be made only upon determination by the agency that such loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions. The agency may promulgate rules as necessary to implement and make specific the provisions of this subdivision. The rules shall be designed to permit the state, to the extent not inconsistent with this chapter, to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and other qualified projects.

Sec. 16. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Agency debt ceiling capacity.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$5,000,000,000~~ \$9,000,000,000.

Sec. 17. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

**Subd. 2. Expending funds.** The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund. Money in the fund is appropriated to the agency for these purposes and ~~to the commissioner of management and budget to pay costs incurred by the commissioner of management and budget to administer the fund.~~

Sec. 18. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing where at least 50 percent of units are set aside for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing or for affordable home ownership and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing;

(6) to finance the costs of acquisition, rehabilitation, and replacement of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs;

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing; ~~and~~

(8) to finance the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and

(9) to finance the costs of construction, acquisition, rehabilitation, conversion, and development of cooperatively owned housing created under chapter 308A, 308B, or 308C that is affordable to low- and moderate-income households.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to senior households;

- (2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;
  - (3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and
  - (4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.
- (d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.
- (e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.
- (f) If a loan recipient uses the loan for new construction ~~or substantial rehabilitation~~ as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:
- (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and
  - (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:
    - (A) soundproofing between shared walls for first and second floor units;
    - (B) no florescent lighting in units and common areas;
    - (C) low-fume paint;
    - (D) low-chemical carpet; and
    - (E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by the agency from meeting other applicable accessibility requirements.

Sec. 19. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2i, the agency may issue up to \$50,000,000 in one or more series to which the payments under this section may be pledged.

Sec. 20. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.38, subdivision 2, is amended to read:

Subd. 2. **Use of funds.** (a) Grant funds and loans awarded under this program may be used for:

(1) development costs;

(2) rehabilitation;

(3) land development; ~~and~~

(4) affordability gap; and

~~(4)~~ (5) residential housing, including storm shelters and related community facilities.

(b) A project funded through this program shall serve households that meet the income limits as provided in section 462A.33, subdivision 5, unless a project is intended for the purpose outlined in section 462A.02, subdivision 6.

Sec. 22. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible project area" means a home rule charter or statutory city located outside of a metropolitan county as defined in section 473.121, subdivision 4 ~~, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside a metropolitan county as defined in section 473.121, subdivision 4;~~ federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and may include rental developments that have a portion of income-restricted units.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 23. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

**462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency may make grants to counties and cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. The commissioner may make a grant award only after determining that nonstate resources are committed to complete the project. The nonstate contribution may be cash, other committed grant funds, or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "City" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(c) "Housing infrastructure" means publicly owned physical infrastructure necessary to support housing development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may be a single-family or multifamily housing development, and either owner-occupied or rental. Housing projects eligible for a grant under this section may also be a manufactured home development qualifying for homestead treatment under section 273.124, subdivision 3a.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city or county must include in its application a resolution of the county board or city council certifying that the required nonstate match is available. The commissioner must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the county or city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Maximum grant amount.** A county or city may receive no more than ~~\$30,000~~ \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for multifamily housing with more than four units per building. A county or city may receive no more than \$500,000 in two years for one or more housing developments. The \$500,000 limitation does not apply to use on manufactured housing developments.



Sec. 24. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and loans to be used for multifamily and single family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition or removal of existing structures; construction financing; permanent financing; interest rate reduction; and refinancing.

(b) The agency may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions, including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

~~(c) The agency shall separately set aside:~~

~~(1) at least ten percent of the financing under this section for housing units located in a township or city with a population of 2,500 or less that is located outside the metropolitan area, as defined in section 473.121, subdivision 2;~~

~~(2) at least 35 percent of the financing under this section for housing for persons and families whose income is 50 percent or less of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and~~

~~(3) at least 25 percent of the financing under this section for single family housing.~~

~~(d) If by September 1 of each year the agency does not receive requests to use all of the amounts set aside under paragraph (c), the agency may use any remaining financing for other projects eligible under this section.~~

Sec. 25. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means ~~an individual who~~:

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used ~~and is using that housing as their domicile~~;

(3) an individual who meets the following criteria:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(4) an individual who meets the following criteria:

(i) the individual directly owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(1) made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(3) meets the following criteria:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

~~(d) The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be disqualified either individually or in combination with one or more members of the taxpayer's family, as defined in the Internal Revenue Code, section 267(e)(4). For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this paragraph subdivision apply collectively to the taxpayer and spouse. For purposes of determining the ownership interest of a taxpayer under paragraph (a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code apply.~~

(e) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

(f) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian tribe or subdivision located in Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

~~(g) Except for the set aside provided in subdivision 2, paragraph (d),~~ Eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

Sec. 26. Minnesota Statutes 2023 Supplement, section 473.145, is amended to read:

#### **473.145 DEVELOPMENT GUIDE.**

(a) The Metropolitan Council must prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It must consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area. The comprehensive development guide must recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which

will have an impact on the entire area including but not limited to such matters as land use, climate mitigation and adaptation, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings.

(b) For the purposes of this section, "climate mitigation and adaptation" includes mitigation goals and strategies that meet or exceed the greenhouse gas emissions-reduction goals established by the state under section 216H.02, subdivision 1, and transportation targets established by the commissioner of transportation, including vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a, as well as plans and policies to address climate adaptation in the region. The commissioner of transportation must consult with the Metropolitan Council on transportation targets prior to establishing the targets.

(c) Notwithstanding any other provision of law, no decision adopting or authorizing a comprehensive plan shall be subject to the requirements of chapter 116D. Nothing in this paragraph exempts individual projects, as defined by Minnesota Rules, part 4410.0200, subpart 65, from the requirements of chapter 116D and applicable rules.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies to all comprehensive plans and amendments adopted by any local governmental unit, as defined under Minnesota Statutes, section 473.852, subdivision 7, and authorized by the Metropolitan Council during the most recent decennial review under Minnesota Statutes, section 473.864, and for subsequent reviews under Minnesota Statutes, section 473.864, thereafter. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 27. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given:

~~(b)~~ (b) "City distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

~~(c)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income.

~~(d)~~ (d) "County distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in metropolitan counties that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

(e) "Locally funded housing expenditures" means expenditures of the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, that are:

(1) funded from the recipient's general fund, a property tax levy of the recipient or its housing and redevelopment authority, or unrestricted money available to the recipient, but not including tax increments; and

(2) expended on one of the following qualifying activities:

(i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;

(ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;

(iii) down payment assistance or homeownership education, counseling, and training;

(iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;

(v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and

(vi) rental assistance.

~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and

~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is located in a metropolitan county.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 28. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects ~~shall~~ include:

(1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

(2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; ~~and~~

(3) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

(4) financing the operations and management of financially distressed residential properties;

(5) funding of supportive services or staff of supportive services providers for supportive housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

(6) costs of operating emergency shelter facilities, including the costs of providing services.

~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States

Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

~~(b)~~ (c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

~~(d)~~ (e) If an aid recipient uses the aid on new construction ~~or substantial rehabilitation~~ of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 29. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 30. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a subdivision to read:

**Subd. 5a. Conditions for receipt.** (a) As a condition of receiving aid under this section, a recipient must commit to using funds to supplement, not supplant, existing locally funded housing expenditures, so that the recipient is using the funds to create new or to expand existing housing programs.

(b) In the annual report required under subdivision 6, a recipient must certify its compliance with this subdivision, including an accounting of locally funded housing expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota Housing Finance Agency, it must document its locally funded housing expenditures in the two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures, the recipient must detail the expenditure, the amount of the reduction, and the reason for the reduction. The certification required under this paragraph must be made available publicly on the website of the recipient.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 31. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended to read:

**Subd. 6. Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

(2) spends the funds on anything other than a qualifying project; ~~or~~

(3) fails to submit a report documenting use of the funds; or

(4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds. A request to stop payment under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the aids payable year the aid recipient wants the commissioner to stop payment of aid. The commissioner shall not stop payment based on a request received after May 1 until the next aids payable year.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments at the request of the city or county in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

Sec. 32. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 1, as amended by Laws 2024, chapter 76, section 4, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given:

~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in Minnesota tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income.

~~(3)~~ (d) "County distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in Minnesota that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

~~(4)~~ (e) "Eligible Tribal Nation" means any of the 11 federally recognized Indian Tribes located in Minnesota which submit an application under subdivision 6, paragraph (g).

(f) "Locally funded housing expenditures" means expenditures of the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, that are:

(1) funded from the recipient's general fund, a property tax levy of the recipient or its housing and redevelopment authority, or unrestricted money available to the recipient, but not including tax increments; and

(2) expended on one of the following qualifying activities:

(i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;

(ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;

(iii) down payment assistance or homeownership education, counseling, and training;

(iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;

(v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and

(vi) rental assistance.

~~(5)~~ (g) "Population" has the meaning given in section 477A.011, subdivision 3~~;~~.

~~(6)~~ (h) "Tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is not located in a metropolitan county, as defined by section 473.121, subdivision 4~~; and~~.

~~(7)~~ (i) "Tier II city" means a statutory or home rule charter city that is a city of the fourth class and is not located in a metropolitan county, as defined by section 473.121, subdivision 4.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

(1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

(2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing;

(3) outside the metropolitan counties as defined in section 473.121, subdivision 4, development of market rate residential rental properties, as defined in section 462A.39, subdivision 2, paragraph (d), if the relevant unit of government submits with the report required under subdivision 6 a resolution and supporting documentation showing that the area meets the requirements of section 462A.39, subdivision 4, paragraph (a); ~~and~~

(4) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for



homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development and, for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

(5) financing the operations and management of financially distressed residential properties;

(6) funding of supportive services or staff of supportive services providers for supportive housing as defined in section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

(7) costs of operating emergency shelter facilities, including the costs of providing services.

~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable housing to households that have incomes that do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

~~(b)~~ (c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

~~(c)~~ (d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the tier I city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the tier I city or county, funds shall be considered spent on a qualifying project if the funds are transferred to a local housing trust fund. Funds transferred to a local housing trust fund must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

~~(b) Any funds must be returned to the commissioner of revenue if the funds are not spent by December 31 in the third year following the year after the aid was received.~~ Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.36, is amended by adding a subdivision to read:

Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section, a recipient must commit to using money to supplement, not supplant, existing locally funded housing expenditures, so that the recipient is using the funds to create new or to expand existing housing programs.

(b) In the annual report required under subdivision 6, a recipient must certify compliance with this subdivision, including an accounting of locally funded housing expenditures in the prior fiscal year. In an aid recipient's first report to the Minnesota Housing Finance Agency, the aid recipient must document its locally funded housing expenditures in the two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures, the recipient must detail the expenditure, the amount of the reduction, and the reason for the reduction. The certification required under this paragraph must be made available publicly on the recipient's website.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 6, as amended by Laws 2024, chapter 76, section 5, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each aid recipient under this section. Beginning with aids payable in calendar year 2024, before computing the amount of aid for counties and after receiving the report required by subdivision 3, paragraph (e), the commissioner shall compute the amount necessary to increase the amount in the account or accounts established under that paragraph to

\$1,250,000. The amount calculated under the preceding sentence shall be deducted from the amount available to counties for the purposes of certifying the amount of aid to be paid to counties in the following year. By August 1 of each year, the commissioner must certify the amount to be paid to each tier I city and county in the following year. The commissioner must pay statewide local housing aid to tier I cities and counties annually at the times provided in section 477A.015. Before paying the first installment of aid annually, the commissioner of revenue shall transfer to the Minnesota Housing Finance Agency from the funds available for counties, for deposit in the account or accounts established under subdivision 3, paragraph (e), the amount computed in the prior year to be necessary to increase the amount in the account or accounts established under that paragraph to \$1,250,000.

(b) Beginning in 2025, aid recipients shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report shall include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If an aid recipient fails to submit a report, fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), ~~or~~ uses funds for a project that does not qualify under this section, or if an aid recipient fails to meet the requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the aid recipient must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, an aid recipient must pay to the Minnesota Housing Finance Agency funds the aid recipient received under this section if the aid recipient:

- (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);
- (2) spends the funds on anything other than a qualifying project; ~~or~~
- (3) fails to submit a report documenting use of the funds; ~~or~~
- (4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to an aid recipient that requests in writing that the commissioner stop payment or that the Minnesota Housing Finance Agency reports to have, in three consecutive years, failed to use funds, misused funds, or failed to report on its use of funds. A request to stop payment under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the year prior to the aids payable year in which the aid recipient wants the commissioner to stop payment of aid. The commissioner shall not stop payment based on a request received after May 1 until aids payable based on certification in the following calendar year.

(e) The commissioner may resume distributing funds to an aid recipient to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to an aid recipient to which the commissioner has stopped payments at the request of the recipient in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the recipient has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

(g) An eligible Tribal Nation may choose to receive an aid distribution under this section by submitting an application under this subdivision. An eligible Tribal Nation which has not received a distribution in a prior aids payable year may elect to begin participation in the program by submitting an application in the manner and form prescribed by the commissioner of revenue by January 15 of the aids payable year. In order to receive a distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most recent estimate of the total number of enrolled members of the eligible Tribal Nation. The information must be annually certified by March 1 in the form prescribed by the commissioner of revenue. The commissioner of revenue must annually calculate and certify the amount of aid payable to each eligible Tribal Nation on or before August 1 of the aids payable year. The commissioner of revenue must pay statewide local housing aid to eligible Tribal Nations annually by December 27 of the year the aid is certified.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

Sec. 37. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

Subd. 32. **Northland Foundation**

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This appropriation is for a grant to Northland Foundation for use on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3, to assist and support communities in providing housing locally, and on for assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This appropriation is onetime and available until June 30, 2025.

Sec. 38. Laws 2023, chapter 37, article 2, section 6, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Minnesota Housing Finance Agency shall establish a community stabilization program to provide grants or loans to preserve naturally occurring affordable housing ~~through acquisition or rehabilitation and support recapitalization of distressed buildings.~~

Sec. 39. Laws 2023, chapter 37, article 2, section 6, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Naturally occurring affordable housing" means:

(1) multiunit rental housing that:

(i) is at least 20 years old;

(ii) has rents in a majority of units that are affordable to households at or below 60 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development; and

(iii) does not currently have federal or state financing or tax credits that require income or rent restrictions, except for public housing, as defined in Section 9 of the Housing Act of 1937, that is part of a mixed-finance community; or

~~(2) owner occupied housing located in communities where market pressures or significant deferred rehabilitation needs, as defined by the agency, create opportunities for displacement or the loss of owner occupied housing affordable to households at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.~~

(2) single-family housing that is:

(i) one to four units;

(ii) located in communities where market pressures or significant deferred rehabilitation needs, as defined by the agency, create opportunities for displacement or the loss of owner-occupied or single-family rental housing; and

(iii) affordable to owner-occupied households at or below 115 percent or rental households at or below 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

(c) "Distressed building" means an existing rental housing building in which the units are restricted to households at or below 60 percent of the area median income and that:

(1) is at imminent risk of foreclosure, closure, or sale that would result in permanent loss of affordability;

(2) has two or more years of negative net operating income, exclusive of financial or in-kind operating support from the owner of the property;

(3) has two or more years with a debt service coverage ratio less than one; or

(4) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes.

(d) "Recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance and rehabilitation, funding of reserves, and property operating costs including but not limited to supportive services, security services, and property insurance. Recapitalization may include financing to sell or transfer ownership of a property to a qualified owner that will commit to long-term affordability as determined by the commissioner.

Sec. 40. Laws 2023, chapter 37, article 2, section 6, subdivision 4, is amended to read:

Subd. 4. **Eligible uses.** (a) The program shall provide grants or loans for the purpose of acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support the preservation of naturally occurring affordable housing or recapitalization of distressed buildings.

(b) When awarding grants or loans for the acquisition or rehabilitation of naturally occurring affordable housing, priority in funding shall be given to proposals that serve lower-income households and maintain longer periods of affordability. Funding may be used to acquire single-family rental housing that is intended to be converted to affordable homeownership.

(c) When awarding grants or loans for the recapitalization of distressed buildings, to the extent practicable, priority in funding shall be given to the following:

(1) buildings where residents are at or below 30 percent of the area median income;

(2) buildings at imminent risk of foreclosure, closure, or sale that would result in permanent loss of affordability;

(3) operators who have a path to achieve neutral or positive net operating income within five years;

(4) operators who keep subject properties affordable; and

(5) buildings that are not eligible or not prioritized for other agency programs.

(d) The agency may establish funding limits per eligible recipient and require priority rankings of eligible recipient proposals.

(e) Funds may not be used for publicly owned housing.

Sec. 41. Laws 2023, chapter 37, article 2, section 6, subdivision 5, is amended to read:

Subd. 5. **Owner-occupied Single-family housing income limits.** Households served through grants or loans related to ~~owner-occupied single-family~~ housing must have, at initial occupancy, income that is at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Sec. 42. Laws 2023, chapter 37, article 2, section 6, is amended by adding a subdivision to read:

Subd. 6a. **Private lender participation.** Prior to the commissioner executing a grant or loan agreement for recapitalization of private debt, a project owner must demonstrate receiving a meaningful amount, as determined by the commissioner, of restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, and mortgage payment forbearance from a private lender.

Sec. 43. Laws 2023, chapter 37, article 2, section 6, is amended by adding a subdivision to read:

Subd. 9. **Report.** By February 15, 2025, and February 15, 2026, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and homelessness. The report must include the number of applications received, the amount of funding requested, the grants awarded, and the number of affordable housing units preserved through awards under this section.

Sec. 44. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer" means an individual:

(1) whose income is at or below 130 percent of area median income;

~~(2) who resides in a census tract where at least 60 percent of occupied housing units are renter-occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;~~

~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free, fee-based mortgage; and

~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.

Sec. 45. Laws 2023, chapter 52, article 19, section 120, is amended to read:

**Sec. 120. EFFECTIVE DATE.**

Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January 1, 2024, and applies to cases filed before, on, or after that date.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

**Sec. 46. SINGLE-EGRESS STAIRWAY APARTMENT BUILDING REPORT.**

The commissioner of labor and industry must evaluate conditions under which apartment buildings with a single means of egress above three stories up to 75 feet would achieve life safety outcomes equal to or superior to currently adopted codes. The commissioner must use research techniques that include smoke modeling, egress modeling, an analysis of fire loss history in jurisdictions that have already adopted similar provisions, and interviews with fire services regarding fire suppression and rescue techniques in such buildings. The commissioner shall consult with relevant stakeholders, including but not limited to the Minnesota Fire Chiefs Association, Minnesota Professional Firefighters Association, Fire Marshals Association of Minnesota, Association of Minnesota Building Officials, Housing First Minnesota, Center for Building in North America, and faculty from the relevant department of a university which grants degrees in fire protection engineering. In addition, the commissioner must also contextualize the life safety outcomes from the single-egress evaluation to life safety outcomes in other types of housing. The commissioner may contract with external experts or an independent third party to develop the report and perform other functions required of the commissioner under this section. The report must include recommendations for code updates for the single-egress buildings evaluated in this section. By December 31, 2025, the commissioner must report on the findings to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and state building codes.

**Sec. 47. LOCALLY FUNDED HOUSING EXPENDITURE REPORT.**

By February 15, 2027, the commissioner of the Minnesota Housing Finance Agency shall report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over housing and taxes, on the reports received on locally funded housing expenditures as required under Minnesota Statutes, sections 477A.35, subdivision 5a, and 477A.36, subdivision 5a.

**Sec. 48. WORKING GROUP ON COMMON INTEREST COMMUNITIES AND HOMEOWNERS ASSOCIATIONS.**

Subdivision 1. **Creation; duties.** (a) A working group is created to study the prevalence and impact of common interest communities (CICs) and homeowners associations (HOAs) in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing. The working group shall study:

(1) how many CICs and HOAs exist, how many people may reside in those housing units, and where they are located in the state;

(2) the governing documents commonly used by CICs and HOAs and whether the governing documents or common practices create barriers for participation by homeowners in the board of directors for CICs or HOAs;

(3) the fees and costs commonly associated with CICs and HOAs and how those fees have increased, including the cost of outside management, accounting, and attorney fees that are assessed to owners and residents;

(4) whether there should be uniform, statutory standards regarding fees, fines, and costs assessed to residents;

(5) how the organization and management of CICs and HOAs, including boards and management companies, impact the affordability of CICs and HOAs;

(6) the impact of CICs and HOAs on the housing market and housing costs;

(7) the racial disparity in homeownership as it relates to CICs and HOAs;

(8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

(9) how other states regulate CICs and HOAs and best practices related to board transparency, dispute resolution, and foreclosures; and

(10) how the current laws governing CICs and HOAs may be consolidated and reformed for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

(b) The focus and duties of the working group shall be to recommend legislative reforms or other methods to regulate CICs and HOAs, including the consolidation or recodification of existing chapters regulating CICs and HOAs.

Subd. 2. **Membership.** (a) The working group shall consist of the following:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader;

(3) one member from the Minnesota Homeownership Center;

(4) one member from the Community Associations Institute;

(5) one member from a business association that supports, educates, or provides services to CICs and HOAs in Minnesota designated by the commissioner of commerce;

(6) one member from a legal aid association familiar with housing laws and representing low-income clients designated by Mid-Minnesota Legal Assistance;

(7) one member from the Minnesota Association of Realtors;

(8) one member who is an attorney who regularly works advising homeowners or residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the State Bar Association;

(9) one member who is an attorney who regularly works advising CIC and HOA boards designated by the State Bar Association;

(10) one member from a metropolitan area government who is familiar with issues homeowners and tenants face while living in CICs and HOAs in the metropolitan area designated by League of Minnesota Cities;

(11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's designee;

(12) one member from the attorney general's office designated by the attorney general;

(13) one member designated by the North Country Cooperative Foundation and one member to be designated by the Senior Housing Cooperative Council;



(14) four members who are current or recent owners of a residence that is part of a CIC or HOA designated by the Housing Justice Center.

(b) Appointments and designations for members of the working group shall be made by July 1, 2024, and information about the appointed and designated members shall be provided by the commissioner of housing finance to the chairs and ranking minority members of the legislative committees with jurisdiction over housing no later than July 1, 2024.

Subd. 3. **Facilitation; organization; meetings.** (a) The Legislative Coordinating Commission shall facilitate the working group, provide administrative assistance, and convene the first meeting by July 15, 2024. Members of the working group may receive compensation and reimbursement for expenses as authorized by Minnesota Statutes, section 15.059, subdivision 3.

(b) The working group must meet at regular intervals as often as necessary to accomplish the goals enumerated under subdivision 1. Meetings of the working group are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **External consultation.** The working group shall consult with other individuals and organizations that have expertise and experience that may assist the working group in fulfilling its responsibilities, including entities engaging in additional external stakeholder input from those with experience living in CICs and HOAs as well as working with the board of directors for CICs and HOAs.

Subd. 5. **Report required.** The working group shall submit a final report by February 1, 2025, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy, commerce, and real property. The report shall include recommendations and draft legislation based on the duties and focus for the working group provided in subdivision 1.

Subd. 6. **Expiration.** The working group expires upon submission of the final report in subdivision 5, or February 28, 2025, whichever is later.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires March 1, 2025.

Sec. 49. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE HOUSING.**

Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide recommendations relating to affordable housing sustainability, including displacement of tenants, preservation of housing previously developed with public financing, and long-term sustainability of new housing developments.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) three members appointed by the commissioner of housing;

(2) one member with expertise in insurance regulation appointed by the commissioner of commerce;

(3) one member from a county that participates in the Interagency Stabilization Group appointed by the Association of Minnesota Counties;

(4) one member from a greater Minnesota county appointed by the Association of Minnesota Counties;

(5) one member with experience developing affordable rental housing appointed by the Metropolitan Consortium of Community Developers;

(6) one member with experience in operating affordable rental housing appointed by the Metropolitan Consortium of Community Developers;

(7) one member of the Minnesota Housing Partnership who has experience developing affordable rental housing;

(8) one member of the Minnesota Housing Partnership who has experience operating affordable rental housing;

(9) one member of the Minnesota Housing Partnership who has experience developing and operating affordable rental housing in greater Minnesota;

(10) one member with experience developing or operating for-profit affordable housing appointed by the Minnesota Multi-Housing Association;

(11) one member appointed by the Family Housing Fund;

(12) one member appointed by the Greater Minnesota Housing Fund;

(13) one member with experience in multifamily affordable housing lending appointed by the Minnesota Bankers Association;

(14) one member appointed by the Insurance Federation of Minnesota;

(15) one member appointed by the Twin Cities United Way;

(16) one member appointed by the speaker of the house;

(17) one member appointed by the house minority leader;

(18) one member appointed by the senate majority leader; and

(19) one member appointed by the senate minority leader.

(b) The appointing authorities must make the appointments by June 15, 2024.

Subd. 3. **Duties.** (a) The task force must assess underlying financial challenges to develop, operate, and preserve safe, affordable, and dignified housing, including:

(1) factors that are leading to increasing operating costs for affordable housing providers, including insurance availability and rates, labor costs, and security costs;

(2) factors that are leading to declining revenues for affordable housing providers, such as loss of rent and vacancy issues; and

(3) the potential impact of the loss of housing units under current conditions, including preservation needs of federally rent-assisted properties and tax credit developments with expiring contracts.

(b) The task force must evaluate current financing and administrative tools to develop, operate, and preserve safe and affordable housing, including:

(1) public and private financing programs, and the availability of funding as it relates to overall needs; and

(2) administrative tools including underwriting standards used by public and private housing funders and investors.

(c) The task force must evaluate financial or asset management practices of affordable housing providers and support for asset management functions by funder organizations.

(d) The task force must recommend potential solutions to develop and preserve safe and affordable housing, including:

(1) additional funding for existing programs and administrative tools;

(2) any new financial tools necessary to meet current financial challenges that cannot be met by existing state and local government or private program and administrative tools, including new uses, modified implementation, or other improvements to existing programs; and

(3) best practices for changes to financial or asset management practices of affordable housing providers and funders.

(e) The task force may address other topics as identified by task force members during the course of its work.

(f) The task force shall consult with other organizations that have expertise in affordable rental housing, including entities engaging in additional external stakeholder input from those with lived experience and administrators of emergency assistance, including Minnesota's Tribal nations.

Subd. 4. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first meeting of the task force convenes no later than July 1, 2024, and must provide accessible physical or virtual meeting space as necessary for the task force to conduct its work.

(b) At its first meeting, the task force must elect a chair or cochaIRS by a majority vote of those members present and may elect a vice-chair as necessary.

(c) The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under subdivision 3.

(d) The task force is subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 5. **Report required.** By February 1, 2025, the task force must submit a report to the commissioner of the Minnesota Housing Finance Agency, the Interagency Stabilization Group, and the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. At a minimum, the report must:

(1) summarize the activities of the task force;

(2) provide findings and recommendations adopted by the task force; and

(3) include any draft legislation to implement the recommendations.

Subd. 6. **Expiration.** The task force expires upon submission of the final recommendations required under subdivision 5.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 50. **REPORT ON SECTION 42 SENIOR RENTAL HOUSING.**

(a) The commissioner of the Minnesota Housing Finance Agency must gather data and produce a report on senior renters residing in properties financed by tax credits under Section 42 of the Internal Revenue Code, and Section 42 properties. To the extent practicable, the commissioner must gather data from the past ten years and report on the:

(1) estimated number of Section 42 properties in which a majority of units are occupied by senior households;

(2) estimated number of senior households living in Section 42 properties and the estimated number of senior households living in Section 42 properties that are cost-burdened;

(3) amount of public resources allocated or awarded to construct Section 42 properties in which a majority of units are occupied by senior households;

(4) annual percentage changes in area median income, Social Security cost-of-living adjustments, and inflation; and

(5) number of times rents were increased to the maximum allowable under HUD guidelines in Section 42 properties in which a majority of units occupied by senior households.

(b) By January 15, 2025, the commissioner must report on the data gathered to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance. The commissioner must use existing financial resources to review and complete this report.

Sec. 51. **COMPREHENSIVE PLANS; METROPOLITAN AREA CITIES OF THE FIRST CLASS.**

Comprehensive plans adopted by cities of the first class in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and authorized by the Metropolitan Council for the most recent decennial review under Minnesota Statutes, section 473.864, shall not constitute conduct that causes or is likely to cause pollution, impairment, or destruction as defined under Minnesota Statutes, section 116B.02, subdivision 5.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 52. **CONTINGENT FEE PAYMENTS.**

Notwithstanding any law to the contrary, an attorney or financial adviser participating in conduit financing through a local unit of government may be paid on a contingent fee basis.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires June 1, 2025.

Sec. 53. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make necessary cross-reference changes in Minnesota Statutes.

Sec. 54. **REPEALER.**

(a) Minnesota Statutes 2022, section 462A.209, subdivision 8, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment. Paragraph (b) is effective beginning with aids payable in 2024.

ARTICLE 16  
EXPEDITING RENTAL ASSISTANCE

Section 1. **[462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL ASSISTANCE NEEDS.**

The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and Tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.

Sec. 2. **EXPEDITING RENTAL ASSISTANCE; IMPLEMENTATION.**

(a) For the purposes of this section, the following terms have the meanings given:

(1) "culturally responsive" means agencies, programs, and providers of services respond respectfully and effectively to people of all cultures, languages, classes, races, ethnic backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a manner that recognizes, values, and affirms differences and eliminates barriers to access; and

(2) "trauma-informed" means to recognize that many people have experienced trauma in their lifetime and that programs must be designed to respond to people with respect and accommodate the needs of people who have or are currently experiencing trauma.

(b) In implementing the sections in this article, the commissioner of the Minnesota Housing Finance Agency must ensure the work is culturally responsive and trauma-informed.

Sec. 3. **DATA COLLECTION TO MEASURE TIMELINESS OF RENTAL ASSISTANCE.**

The commissioner of the Minnesota Housing Finance Agency must work with the commissioner of human services to develop criteria for measuring the timeliness of processing applications for rental assistance. The commissioner of the Minnesota Housing Finance Agency must collect data to monitor application speeds of the family homelessness prevention and assistance program and use the collected data to inform improvements to application processing systems. By January 15, 2027, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include analysis of the data collected and whether goals have been met to (1) process an emergency rental assistance application within two weeks of the receipt of a complete application, and (2) if approved, make payment to a landlord within 30 days of the receipt of a complete application.

Sec. 4. **E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

The commissioner of the Minnesota Housing Finance Agency, working with the commissioner of human services, shall develop uniform e-signature options to be used in applications for the family homelessness prevention and assistance program. No later than June 30, 2026, the commissioner shall require administrators of the family homelessness prevention and assistance program to incorporate and implement the developed e-signature options. The commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over housing of the date when the e-signature options are implemented. A copy of this notification must also be filed with the Legislative Reference Library in compliance with Minnesota Statutes, section 3.195.

Sec. 5. **VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

(a) The commissioner of the Minnesota Housing Finance Agency, working with program administrators, must develop recommendations to simplify the process of verifying information in applications for the family homelessness prevention and assistance program. In developing recommendations, the commissioner must consider:

(1) allowing self-attestation of emergencies, assets, and income;

(2) allowing verbal authorization by applicants to allow emergency rental assistance administrators to communicate with landlords and utility providers regarding applications for assistance; and

(3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

(b) The commissioner must:

(1) prepare recommendations and submit them to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy by January 1, 2025;

(2) adopt any recommendations that have become law; and

(3) provide technical assistance to counties, Tribes, and other emergency rental assistance administrators to implement these recommendations.

(c) By January 13, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing detailing the proposed recommendations required by this section. By July 7, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing detailing the recommendations adopted as required by this section."

Delete the title and insert:

"A bill for an act relating to state government; providing a supplemental budget for transportation, labor and industry, and housing; modifying transportation policy provisions related to greenhouse gas emissions, driver and vehicle services, electric-assisted bicycles, traffic safety camera systems; pedestrian malls, high voltage transmission lines, railroad safety, and transit; establishing the Minnesota Advisory Council on Infrastructure; modifying various labor policy provisions related to combative sports, labor and industry, the Bureau of Mediation Services, University of Minnesota collective bargaining, and broadband installation safety; modifying housing policy provisions related to new and existing programs and expanding eligible uses of housing infrastructure bonds; modifying prior appropriations; imposing civil penalties; making technical changes; authorizing rulemaking; requiring studies; requiring reports; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 13.824, subdivision 1, by adding a subdivision; 116J.395, subdivision 6, by adding subdivisions; 116J.871, subdivision 4; 134A.09, subdivision 2a; 134A.10, subdivision 3;

161.089; 161.14, by adding a subdivision; 161.3203, subdivision 4; 161.45, by adding subdivisions; 161.46, subdivision 1; 162.02, by adding a subdivision; 162.081, subdivision 4; 162.09, by adding a subdivision; 162.145, subdivision 5; 168.09, subdivision 7; 168.092; 168.127; 168.301, subdivision 3; 168.33, by adding a subdivision; 168A.10, subdivision 2; 168A.11, subdivisions 1, 2; 168B.035, subdivision 3; 169.011, by adding subdivisions; 169.04; 169.06, by adding subdivisions; 169.14, subdivision 10, by adding subdivisions; 169.18, by adding a subdivision; 169.21, subdivision 6; 169.222, subdivisions 2, 6a, 6b; 169.346, subdivision 2; 169.974, subdivision 5; 169.99, subdivision 1; 171.01, by adding subdivisions; 171.06, subdivision 3b; 171.061, by adding a subdivision; 171.12, by adding a subdivision; 171.13, subdivision 9; 171.16, subdivision 3; 174.02, by adding a subdivision; 174.185, subdivisions 2, 3, by adding subdivisions; 174.40, subdivision 3; 174.75, subdivisions 1, 2, by adding a subdivision; 177.27, subdivision 3; 179A.041, subdivision 2; 179A.09, by adding subdivisions; 179A.11, subdivisions 1, 2, by adding a subdivision; 179A.12, subdivision 5; 179A.13, subdivisions 1, 2; 179A.40, subdivision 1; 179A.54, subdivision 5; 181.171, subdivision 1; 181.722; 181.723; 181.960, subdivision 3; 216B.17, by adding a subdivision; 216E.02, subdivision 1; 221.0255, subdivisions 4, 9, by adding a subdivision; 270B.14, subdivision 17, by adding a subdivision; 297A.815, subdivision 3; 299E.01, subdivision 2; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; 326B.89, subdivision 5; 341.28, by adding a subdivision; 341.29; 383B.145, subdivision 5; 430.01, subdivision 2; 430.011, subdivisions 1, 2, 3; 430.023; 430.031, subdivision 1; 430.13; 462A.02, subdivision 10; 462A.05, subdivisions 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding subdivisions; 462A.21, subdivision 7; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 473.13, by adding a subdivision; 473.3927; 473.452; 480.15, by adding a subdivision; 626.892, subdivision 10; Minnesota Statutes 2023 Supplement, sections 13.43, subdivision 6; 82.75, subdivision 8; 116J.871, subdivisions 1, as amended, 2; 123B.935, subdivision 1; 161.178; 161.46, subdivision 2; 162.146, by adding a subdivision; 168.1259; 168.29; 169.011, subdivision 27; 169.223, subdivision 4; 171.06, subdivision 3; 171.0705, subdivision 2; 171.301, subdivisions 3, 6; 174.49, subdivision 6; 174.634, subdivision 2, by adding a subdivision; 177.27, subdivisions 1, 2, 4, 7; 177.50, by adding subdivisions; 179A.03, subdivisions 14, 18; 179A.041, subdivision 10; 179A.06, subdivision 6; 179A.07, subdivisions 8, 9; 179A.10, subdivision 2; 179A.12, subdivisions 2a, 6, 11; 181.032; 181.9445, subdivisions 4, 5, by adding a subdivision; 181.9446; 181.9447, subdivisions 1, 3, 5, 10, 11, by adding a subdivision; 181.9448, subdivisions 1, 2, 3; 219.015, subdivision 2; 297A.993, subdivision 2a; 326B.106, subdivision 1; 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a subdivision; 341.355; 357.021, subdivision 6; 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.38, subdivision 2; 462A.39, subdivision 2; 462A.395; 473.145; 473.3999; 473.4051, by adding a subdivision; 473.412, subdivisions 2, 3; 473.4465, subdivision 4; 477A.35, subdivisions 2, 4, 5, 6, by adding a subdivision; 477A.36, subdivisions 1, as amended, 4, 5, 6, as amended, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2; Laws 2023, chapter 37, article 1, section 2, subdivisions 2, 5, 18, 25, 29, 32; article 2, sections 6, subdivisions 1, 2, 4, 5, by adding subdivisions; 12, subdivision 2; Laws 2023, chapter 52, article 19, section 120; Laws 2023, chapter 53, article 14, section 1; article 19, sections 2, subdivisions 1, 3, 5; 4; Laws 2023, chapter 68, article 1, sections 3, subdivision 2; 4, subdivision 3; 20; article 4, sections 108; 126; proposing coding for new law in Minnesota Statutes, chapters 16B; 161; 168; 169; 181; 219; 325F; 326B; 341; 430; 462A; repealing Minnesota Statutes 2022, sections 168.1297; 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; 462A.209, subdivision 8; Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1; Laws 2023, chapter 37, article 2, section 13; Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120, subparts 1, 2, 3, 4, 5, 6, 7; 5520.0200; 5520.0250, subparts 1, 2, 4; 5520.0300; 5520.0500, subparts 1, 2, 3, 4, 5, 6; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; 5520.0800."

We request the adoption of this report and repassage of the bill.

House Conferees: FRANK HORNSTEIN, MICHAEL NELSON, MICHAEL HOWARD and BRAD TABKE.

Senate Conferees: D. SCOTT DIBBLE, JENNIFER MCEWEN, LINDSEY PORT and KELLY MORRISON.

Speaker pro tempore Her called Vang to the Chair.

Hornstein moved that the report of the Conference Committee on H. F. No. 5242 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Speaker pro tempore Vang called Her to the Chair.

H. F. No. 5242, as amended by Conference, was read for the third time.

#### LAY ON THE TABLE

Long moved that the H. F. No. 5242, as amended by Conference, be laid on the table. The motion prevailed and H. F. No. 5242, as amended by Conference, was laid on the table.

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.

Schultz was excused between the hours of 6:55 p.m. and 10:10 p.m.

#### MOTIONS AND RESOLUTIONS

##### TAKEN FROM THE TABLE

Her 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.

Scott moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 2, line 4, after the period, insert "The state is allowed to recognize and protect sex-based distinctions in facilities and programs."

A roll call was requested and properly seconded.



## CALL OF THE HOUSE

On the motion of Nash and on the demand of 10 members, a call of the House was ordered.

Nash withdrew the request for a call of the House.

Demuth 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.

The pending Scott amendment to S. F. No. 37, the unofficial engrossment, was again reported to the House and reads as follows:

Page 2, line 4, after the period, insert "The state is allowed to recognize and protect sex-based distinctions in facilities and programs."

A roll call was requested and properly seconded.

Anderson, P. E., was excused for the remainder of today's session.

The question was taken on the Scott amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Jacob	Mueller	Perryman	Torkelson
Anderson, P. H.	Engen	Johnson	Murphy	Petersburg	Urdahl
Backer	Fogelman	Joy	Myers	Pfarr	West
Bakeberg	Franson	Kiel	Nadeau	Quam	Wiener
Baker	Garofalo	Knudsen	Nash	Rarick	Wiens
Bennett	Gillman	Koznick	Nelson, N.	Robbins	Witte
Bliss	Grossell	Kresha	Neu Brindley	Schomacker	Zelevnikar
Burkel	Harder	Lawrence	Niska	Schultz	
Davids	Heintzeman	Lislegard	Novotny	Scott	
Davis	Hudson	McDonald	O'Driscoll	Skraba	
Demuth	Igo	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Brand	Edelson	Frederick	Hassan	Hornstein
Agbaje	Carroll	Elkins	Freiberg	Hemmingsen-Jaeger	Howard
Bahner	Cha	Feist	Gomez	Her	Huot
Becker-Finn	Clardy	Finke	Greenman	Hicks	Hussein
Berg	Coulter	Fischer	Hansen, R.	Hill	Jordan
Bierman	Curran	Frazier	Hanson, J.	Hollins	Keeler

Klevorn	Lee, K.	Newton	Pryor	Stephenson	Youakim
Koegel	Liebling	Noor	Pursell	Tabke	Spk. Hortman
Kotyza-Witthuhn	Lillie	Olson, L.	Rehm	Vang	
Kozlowski	Long	Pelowski	Reyer	Virnig	
Kraft	Moller	Pérez-Vega	Sencer-Mura	Wolgamott	
Lee, F.	Nelson, M.	Pinto	Smith	Xiong	

The motion did not prevail and the amendment was not adopted.

Neu Brindley moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 2, line 10, after the period, insert "Nothing in this section prohibits the legislature from regulating health care, including but not limited to gender-affirming care and reproductive healthcare."

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Jacob	Mueller	Perryman	Torkelson
Anderson, P. H.	Engen	Johnson	Murphy	Petersburg	Urdahl
Backer	Fogelman	Joy	Myers	Pfarr	West
Bakeberg	Franson	Kiel	Nadeau	Quam	Wiener
Baker	Garofalo	Knudsen	Nash	Rarick	Wiens
Bennett	Gillman	Koznick	Nelson, N.	Robbins	Witte
Bliss	Grossell	Kresha	Neu Brindley	Schomacker	Zelevnikar
Burkel	Harder	Lawrence	Niska	Schultz	
Davids	Heintzeman	Lislegard	Novotny	Scott	
Davis	Hudson	McDonald	O'Driscoll	Skraba	
Demuth	Igo	Mekeland	Olson, B.	Swedzinski	

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	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Virnig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Long	Reyer	
Coulter	Hansen, R.	Jordan	Moller	Sencer-Mura	
Curran	Hanson, J.	Keeler	Nelson, M.	Smith	

The motion did not prevail and the amendment was not adopted.

Perryman moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 2, line 10, after the period, insert "This section shall not be construed to require the expenditure of public funds as a remedy to a violation of this section when other remedies are available."

A roll call was requested and properly seconded.

The question was taken on the Perryman amendment and the roll was called. There were 63 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Jacob	Mueller	Perryman	Torkelson
Anderson, P. H.	Engen	Johnson	Murphy	Petersburg	Urdahl
Backer	Fogelman	Joy	Myers	Pfarr	West
Bakeberg	Franson	Kiel	Nadeau	Quam	Wiener
Baker	Garofalo	Knudsen	Nash	Rarick	Wiens
Bennett	Gillman	Koznick	Nelson, N.	Robbins	Witte
Bliss	Grossell	Kresha	Neu Brindley	Schomacker	Wolgamott
Burkel	Harder	Lawrence	Niska	Schultz	Zelevnikar
Davids	Heintzeman	Lislegard	Novotny	Scott	
Davis	Hudson	McDonald	O'Driscoll	Skraba	
Demuth	Igo	Mekeland	Olson, B.	Swedzinski	

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 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.

#### TAKEN FROM THE TABLE

Long moved that H. F. No. 5242, as amended by Conference, be taken from the table. The motion prevailed and H. F. No. 5242, as amended by Conference, was taken from the table.

H. F. No. 5242, as amended by Conference, was reported to the House.

### MOTION FOR RECONSIDERATION

Long moved that the vote whereby the report of the Conference Committee on H. F. No. 5242 was adopted earlier today be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Long motion and the roll was called. There were 72 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Keeler	Moller	Rehm
Agbaje	Elkins	Heintzeman	Klevorn	Nelson, M.	Reyer
Bahner	Feist	Hemmingsen-Jaeger	Koegel	Neu Brindley	Sencer-Mura
Becker-Finn	Finke	Her	Kotyza-Witthuhn	Newton	Smith
Berg	Fischer	Hicks	Kozlowski	Noor	Stephenson
Bierman	Frazier	Hill	Kraft	Norris	Tabke
Brand	Frederick	Hollins	Lee, F.	Olson, L.	Vang
Carroll	Freiberg	Hornstein	Lee, K.	Pelowski	Virmig
Cha	Gomez	Howard	Liebling	Pérez-Vega	Wolgamott
Clardy	Greenman	Huot	Lillie	Pinto	Xiong
Coulter	Hansen, R.	Hussein	Lislegard	Pryor	Youakim
Curran	Hanson, J.	Jordan	Long	Pursell	Spk. Hortman

Those who voted in the negative were:

Altendorf	Demuth	Igo	Mekeland	Olson, B.	Skraba
Anderson, P. H.	Dotseth	Jacob	Mueller	Perryman	Swedzinski
Backer	Engen	Johnson	Murphy	Petersburg	Torkelson
Bakeberg	Fogelman	Joy	Myers	Pfarr	Urdahl
Baker	Franson	Kiel	Nadeau	Quam	West
Bennett	Garofalo	Knudsen	Nash	Rarick	Wiener
Bliss	Gillman	Koznick	Nelson, N.	Robbins	Wiens
Burkel	Grossell	Kresha	Niska	Schomacker	Witte
Davids	Harder	Lawrence	Novotny	Schultz	Zelevnikar
Davis	Hudson	McDonald	O'Driscoll	Scott	

The motion prevailed.

Long moved that H. F. No. 5242 be returned to the Conference Committee. The motion prevailed.

### 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 again reported to the House.

Rarick moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 2, line 16, delete "pregnancy" and insert "the decision to become or remain pregnant"

A roll call was requested and properly seconded.

West was excused for the remainder of today's session.

Pursuant to rule 1.50, Long moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

The question recurred on the Rarick amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Jacob	Mueller	Perryman	Torkelson
Anderson, P. H.	Engen	Johnson	Murphy	Petersburg	Urdahl
Backer	Fogelman	Joy	Myers	Pfarr	Wiener
Bakeberg	Franson	Kiel	Nadeau	Quam	Wiens
Baker	Garofalo	Knudsen	Nash	Rarick	Witte
Bennett	Gillman	Koznick	Nelson, N.	Robbins	Wolgamott
Bliss	Grossell	Kresha	Neu Brindley	Schomacker	Zelevnikar
Burkel	Harder	Lawrence	Niska	Schultz	
Davids	Heintzeman	Lislegard	Novotny	Scott	
Davis	Hudson	McDonald	O'Driscoll	Skraba	
Demuth	Igo	Mekeland	Olson, B.	Swedzinski	

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	Virmig
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 and the amendment was not adopted.

Wolgamott moved to amend S. F. No. 37, the unofficial engrossment, as follows:

Page 1, after line 15, insert:

"(e) religion;"

Reletter the paragraphs in sequence

Page 2, line 16, after "ancestry," insert "religion."

A roll call was requested and properly seconded.

The question was taken on the Wolgamott amendment and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Igo	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Dotseth	Jacob	Mueller	Perryman	Torkelson
Backer	Engen	Johnson	Murphy	Petersburg	Urdahl
Bakeberg	Fogelman	Joy	Myers	Pfarr	Wiener
Baker	Franson	Kiel	Nadeau	Quam	Wiens
Bennett	Garofalo	Knudsen	Nash	Rarick	Witte
Bliss	Gillman	Koznick	Nelson, N.	Robbins	Wolgamott
Brand	Grossell	Kresha	Neu Brindley	Schomacker	Zelevnikar
Burkel	Harder	Lawrence	Niska	Schultz	
Davids	Heintzeman	Lislegard	Novotny	Scott	
Davis	Hudson	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kozlowski	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Kraft	Pelowski	Virmig
Berg	Frazier	Hollins	Lee, F.	Pérez-Vega	Xiong
Bierman	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	
Edelson	Hassan	Klevorn	Newton	Smith	

The motion did not prevail and the amendment was not adopted.

S. F. No. 37, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality under the law.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Virnig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Long	Reyer	
Coulter	Hansen, R.	Jordan	Moller	Sencer-Mura	
Curran	Hanson, J.	Keeler	Nelson, M.	Smith	

Those who voted in the negative were:

Altendorf	Dotseth	Jacob	Mueller	Pelowski	Swedzinski
Anderson, P. H.	Engen	Johnson	Murphy	Perryman	Torkelson
Backer	Fogelman	Joy	Myers	Petersburg	Urdahl
Bakeberg	Franson	Kiel	Nadeau	Pfarr	Wiener
Baker	Garofalo	Knudsen	Nash	Quam	Wiens
Bennett	Gillman	Koznick	Nelson, N.	Rarick	Witte
Bliss	Grossell	Kresha	Neu Brindley	Robbins	Zelevnikar
Burkel	Harder	Lawrence	Niska	Schomacker	
Davids	Heintzeman	Lislegard	Novotny	Schultz	
Davis	Hudson	McDonald	O'Driscoll	Scott	
Demuth	Igo	Mekeland	Olson, B.	Skraba	

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Calendar for the Day.

### CALENDAR FOR THE DAY

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.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 71 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hanson, J.	Keeler	Moller	Reyer
Agbaje	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Bahner	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Becker-Finn	Feist	Her	Kotzya-Witthuhn	Noor	Stephenson
Berg	Finke	Hicks	Kozlowski	Norris	Tabke
Bierman	Fischer	Hill	Kraft	Olson, L.	Vang
Brand	Frazier	Hollins	Lee, F.	Pelowski	Virnig
Carroll	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Cha	Freiberg	Howard	Liebling	Pinto	Xiong
Clardy	Gomez	Huot	Lillie	Pryor	Youakim
Coulter	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Curran	Hansen, R.	Jordan	Long	Rehm	

Those who voted in the negative were:

Altendorf	Dotseth	Jacob	Mueller	Olson, B.	Skraba
Anderson, P. H.	Engen	Johnson	Murphy	Perryman	Swedzinski
Backer	Fogelman	Joy	Myers	Petersburg	Torkelson
Bakeberg	Franson	Kiel	Nadeau	Pfarr	Urdahl
Baker	Garofalo	Knudsen	Nash	Quam	Wiener
Bennett	Gillman	Koznick	Nelson, N.	Rarick	Wiens
Bliss	Grossell	Kresha	Neu Brindley	Robbins	Witte
Burkel	Harder	Lawrence	Niska	Schomacker	Zelevnikar
Davis	Heintzeman	McDonald	Novotny	Schultz	
Demuth	Igo	Mekeland	O'Driscoll	Scott	

The bill was passed and its title agreed to.

Long moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.



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. 5289.

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. 5289

A bill for an act relating to economic development; making supplemental budget adjustments for the Department of Employment and Economic Development and Explore Minnesota; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 116U.26; 116U.27, subdivisions 5, 6; Minnesota Statutes 2023 Supplement, sections 116L.43, subdivision 1; 116U.27, subdivisions 1, 4; Laws 2023, chapter 53, article 20, section 2, subdivisions 1, 2, 3, 4, 6; article 21, sections 6; 7; Laws 2023, chapter 64, article 15, section 30; proposing coding for new law in Minnesota Statutes, chapter 116U; repealing Minnesota Statutes 2022, section 116J.439.

May 18, 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. 5289 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. 5289 be further amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1 APPROPRIATIONS

##### Section 1. **APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2023, chapter 53, or 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.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioners of the agencies receiving grant appropriations in this article must not use any amount of the grant appropriations for administrative costs unless otherwise appropriated or stated in Minnesota Statutes, section 116J.035, subdivision 7.

<u><b>APPROPRIATIONS</b></u>	
<u><b>Available for the Year</b></u>	
<u><b>Ending June 30</b></u>	
<u><b>2024</b></u>	<u><b>2025</b></u>

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**

<u><b>\$-0-</b></u>	<u><b>\$23,851,000</b></u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>-0-</u>	<u>11,694,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>-0-</u>	<u>12,157,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Business and Community Development**

<u><b>\$-0-</b></u>	<u><b>\$6,589,000</b></u>
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(a) \$500,000 the second year is for a grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This is a onetime appropriation and is available until June 30, 2027.

(b) \$1,000,000 the second year is for a grant to the New American Development Center to provide small businesses and entrepreneurs with technical assistance, financial education, training, and lending and to build the grantee's capacity. This is a onetime appropriation.

(c) \$1,000,000 the second year is for a grant to the Entrepreneur Fund to capitalize their revolving loan funds to address unmet financing needs in northeast Minnesota of for-profit business startups, expansions, and ownership transitions. This is a onetime appropriation.

(d) \$200,000 the second year is for a grant to the Coalition of Asian American Leaders to support outreach, training, technical assistance, peer network development, and direct financial assistance for Asian Minnesotan women entrepreneurs and Asian-owned businesses. This is a onetime appropriation and is available until June 30, 2026.

(e) \$300,000 the second year is for a grant to Fortis Capital for a revolving loan fund to provide risk-mitigating capital for commercial development activities in underserved communities and to entrepreneurs from disadvantaged groups statewide. This is a onetime appropriation and is available until June 30, 2027. Up to ten percent of the amount may be used for administrative costs.

(f) \$2,500,000 the second year is for Launch Minnesota and is available until June 30, 2027. This is a onetime appropriation. Of this amount:

(1) \$1,500,000 is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 is for administration of Launch Minnesota; and

(3) \$500,000 is for grantee activities at Launch Minnesota.

(g) \$400,000 the second year is for a grant to the Somali Museum of Minnesota for capacity building. This a onetime appropriation.

(h) \$489,000 the second year is for a grant to the Center for Community Resources for a financial literacy program. This is a onetime appropriation.

(i) \$200,000 the second year is for grants to community butcher shops for costs associated with relocation of community butcher shops. This is a onetime appropriation. In order to be eligible for a grant:

(1) the community butcher shop must cater to residents and families that reside within census tracts, based on the most recent data published by the United States Census Bureau, where:

(i) 50 percent or more of the population are persons of color; or

(ii) 25 percent or more of the households have an income at or below 200 percent of the federal poverty level; and

(2) the relocation of the community butcher shop is as a result of reducing the environmental impact of the city business.

**Subd. 3. Employment and Training Programs****\$-0-****\$12,207,000**Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>-0-</u>	<u>50,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>-0-</u>	<u>12,157,000</u>

(a) \$400,000 the second year is from the workforce development fund for a grant to Sabathani Community Center for specialized community outreach and engagement, a marketing and communication plan, program evaluation, personal empowerment training for men, empowerment and truancy curriculum for youth, wellness training for seniors, a workforce strategies mentorship and jobs training program, a 15-passenger van, and service kiosks for the Sabathani Community Center, including a onetime paid internship to support these programs. This is a onetime appropriation.

(b) \$700,000 the second year is from the workforce development fund for a grant to the Shakopee Chamber Foundation for the Shakopee area workforce development scholarship pilot program. This is a onetime appropriation and is available until June 30, 2027. The commissioner of employment and economic development may enter into an interagency agreement with the Office of Higher Education, including agreements to transfer funds and to administer the program.

(c) \$100,000 the second year is from the workforce development fund for a grant to Inspire Change Clinic for their health care fellowship program designed to create pathways to medicine for high school and college students interested in pursuing a career in the health care workforce. The health care fellowship program is intended to remove barriers for minority students, foster inclusivity and diversity in the health care sector, and provide valuable opportunities for students, including mentorship programs, access to renowned health institutions in the state of Minnesota, and hands-on work experience. In addition to the reporting requirements in section 14, the commissioner must include the number of participants served by the grant and provide information about program outcomes. This is a onetime appropriation.

(d) \$250,000 the second year is from the workforce development fund for a grant to Bolder Options Youth Mentoring Program to provide disadvantaged youth ages 12 to 22 with intensive one-to-one wellness, goal-setting, and academic-focused mentorship; programming that teaches life and job-seeking skills; career and college achievement coaches; and connections to employment, job training, and education opportunities. The grant must serve youth

in the Bolder Options program in the Twin Cities and the city of Rochester. In addition to the reporting requirements in section 14, the commissioner must include the number of participants served by the grant. This is a onetime appropriation.

(e) \$1,000,000 the second year is from the workforce development fund for a grant to Change Starts With Community for a violence prevention program. Grant money must be used to establish a comprehensive workforce development initiative, specifically tailored for at-risk youth and adults, located on site at Shiloh Cares Food Shelf in the city of Minneapolis. This is a onetime appropriation.

(f) \$100,000 the second year is from the workforce development fund for a grant to InspireMSP to develop programming to assist middle school-aged children in Minneapolis and St. Paul to develop an interest in and connect with the creative industry in Minnesota. Money must be used for program development and career exploration in the creative industry for historically excluded youth by providing access to essential resources, networks, and hands-on experience. This is a onetime appropriation.

(g) \$100,000 the second year is from the workforce development fund for a grant to Lake County Ambulance Service to establish a training program for Cook County and Lake County high school students interested in pursuing careers as emergency medical technicians. This is a onetime appropriation.

(h) \$350,000 the second year is from the workforce development fund for a grant to the city of Austin to develop and implement training programs for water operators and wastewater operators. Riverland Community College must offer the training programs. This is a onetime appropriation and is available until June 30, 2027. Of this amount, the city of Austin may use up to five percent for administration of the program. The commissioner must provide an annual report by January 5 of each year until January 5, 2028, regarding the use of grant funds under this paragraph to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and higher education. The report must include the number of students enrolled and number of students who have completed courses funded by this appropriation.

(i) \$250,000 the second year is from the workforce development fund for a grant to the Greater Minneapolis Council of Churches for a STEM training and career preparation program targeted at the needs of BIPOC youth. The program shall serve youth who are at least 11 years of age and less than 24 years of age and shall provide career training, job skills development, mentorship, and employment opportunities. This is a onetime appropriation and is available until June 30, 2027.

(j) \$200,000 the second year is from the workforce development fund and is for a grant to the Jobs Foundation for direct training, support services, safety enhancements, and economic support for formerly incarcerated individuals participating in the Repowered work readiness program. This is a onetime appropriation.

(k) \$100,000 the second year is from the workforce development fund for a grant to the North Minneapolis Pet Resource Center, also known as Mypitbullisfamilycom. Inc, Community Animal Medicine Professionals (CAMP) program to provide training, professional development workshops, mentorship and leadership programs, and develop recruitment and retention strategies. This is a onetime appropriation.

(l) \$1,000,000 the second year is from the workforce development fund and is for a grant to African Immigrants Community Services for workforce development for new Americans. This is a onetime appropriation.

(m) \$1,000,000 the second year is from the workforce development fund and is for a grant to WomenVenture for supporting child care providers by providing business training, mentorship, services, and educational materials, by facilitating shared administrative staff and pooled management of services such as banking and payroll, by providing child care management software and software training, and by distributing subgrants and loans, which may be forgivable at WomenVenture's discretion. This is a onetime appropriation and is available until June 30, 2027.

(n) \$1,000,000 the second year is from the workforce development fund and is for a grant to the Black Chamber of Commerce for technical support to Black-owned small businesses, for implementing initiatives to address barriers facing the Black business community, and for networking, mentorship, and training programs. This is a onetime appropriation and is available until June 30, 2027.

(o) \$250,000 the second year is from the workforce development fund and is for a grant to the Karen Organization of Minnesota for job training and financial support and incentives for job training participants. This is a onetime appropriation.

(p) \$100,000 the second year is from the workforce development fund and is for a grant to Indigenous Roots for soft skills training and career readiness training for youth. This is a onetime appropriation.

(q) \$100,000 the second year is from the workforce development fund and is for a grant to Ramsey County for a subgrant with People in Action to provide workforce development programming. This amount is available until June 30, 2026, and 40 percent of the

amount must be expended within the city of St. Paul. Grants provided by People in Action must be awarded through at least two requests for proposals. This is a onetime appropriation.

(r) \$500,000 the second year is from the workforce development fund and is for a grant to the Metro Youth Diversion Center to support its Youth-Care Assessment and Readiness Education program to enhance workforce development opportunities for youth with a focus on underrepresented East African students. This is a onetime appropriation.

(s) \$174,000 the second year is from the workforce development fund and is for a grant to Independent School District No. 709, Duluth, for a software subscription to facilitate the career planning of students. This is a onetime appropriation.

(t) \$171,000 the second year is from the workforce development fund and is for a grant to Independent School District No. 704, Proctor, to develop a regional career and technical education program to serve Independent School District No. 704, Proctor, Independent School District No. 700, Hermantown, and Independent School District No. 99, Esko. This is a onetime appropriation.

(u) \$1,000,000 the second year is from the workforce development fund and is for a grant to the city of Brooklyn Park for the Brooklyn Park Small Business Center and for the city to expand the workforce development programming of Brooklyn Park and Brooklyn Center through workforce development programs serving primarily underrepresented populations, including such programs as Brooklynk, Career Pathways, Youth Entrepreneurship, and Community Partnership. This is a onetime appropriation and is available until June 30, 2027.

(v) \$500,000 the second year is from the workforce development fund and is for a grant to Riverside Plaza Tenant Association to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals through training in health care, technology, and construction or skilled trades industries. This is a onetime appropriation.

(w) \$300,000 the second year is from the workforce development fund and is for a grant to African Career, Education, and Resources, Inc., to develop a program for health care skills training and computer skills training in collaboration with the Organization of Liberians in Minnesota. This is a onetime appropriation.

(x) \$75,000 the second year is from the workforce development fund and is for a grant to Equitable Development Action for it to fund programs and provide technical assistance to underserved businesses. This is a onetime appropriation.

(y) \$50,000 the second year is from the workforce development fund and is for a grant to HIRPHA International for use on youth apprenticeships, entrepreneurship training, computer skills, and work readiness training. This is a onetime appropriation.

(z) \$200,000 the second year is from the workforce development fund and is for a grant to YWCA St. Paul for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. This is a onetime appropriation.

(aa) \$50,000 the second year is from the workforce development fund and is for a grant to United Senior Lao American Association to provide job and skills training for an underserved population. This is a onetime appropriation.

(bb) \$100,000 the second year is from the workforce development fund and is for a grant to Hmong American Farmers Association for workforce readiness, employment exploration, and skills development. This is a onetime appropriation.

(cc) \$240,000 the second year is from the workforce development fund and is for a grant to MN Zej Zog for workforce readiness, employment exploration, and skills development. This is a onetime appropriation.

(dd) \$100,000 the second year is from the workforce development fund and is for a grant to Ramsey County for a Justice Impact Navigator to support Ramsey County residents who have a justice impact or who are reentering the community after incarceration to connect to resources with a focus on employment and training supports. Funds must be used for a navigator pilot and other administrative expenses such as outreach, marketing, and resources for residents. This is a onetime appropriation.

(ee) \$100,000 the second year is from the workforce development fund and is for a grant to Ramsey County for a Digital Equity Specialist to support Ramsey County residents with digital literacy resources and skills to connect to employment and training supports. Funds must be used for a digital navigator pilot serving in Ramsey County Career Labs and community-based locations and other administrative expenses, such as outreach, marketing, and resources for residents. This is a onetime appropriation.

(ff) \$100,000 the second year is from the workforce development fund for a grant to Film North to attract a film festival. This is a onetime appropriation. The commissioner of employment and economic development may enter into an interagency agreement with Explore Minnesota, including agreements to transfer funds and administer the grant.



(gg) \$400,000 the second year is from the workforce development fund for a grant to the Twin Cities Urban League for support, capacity building, and expansion of the Work Readiness Program. This is a onetime appropriation.

(hh) \$500,000 the second year is from the workforce development fund for a grant to Arrowhead Opportunity Agency for the purposes of expanding workforce development opportunities in the region. This is a onetime appropriation.

(ii) \$597,000 the second year is from the workforce development fund for a grant to the Minneapolis Downtown Council for infrastructure and associated costs for the Taste of Minnesota event, including but not limited to buildout, permits, garbage services, staffing, security, equipment rentals, signage, and insurance. This is a onetime appropriation. The commissioner of employment and economic development may enter into an interagency agreement with Explore Minnesota, including agreements to transfer funds and administer the grant.

(jj) \$50,000 the second year is from the general fund for a grant to Block Builders Foundation. This appropriation must be used for programming targeted toward at-risk youth coaching, financial literacy education, juvenile offender diversion programming, and community outreach. This is a onetime appropriation.

**Subd. 4. Vocational Rehabilitation**

**\$-0-**

**\$5,055,000**

\$5,055,000 the second year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. This is a onetime appropriation and is available until June 30, 2027.

**Sec. 3. UNIVERSITY OF MINNESOTA.**

**\$-0-**

**\$250,000**

\$250,000 the second year is from the workforce development fund to the Board of Regents of the University of Minnesota to perform the duties required to establish and carry out the duties of the Center for Nursing Equity and Excellence. This is a onetime appropriation.

**Sec. 4. EXPLORE MINNESOTA**

**\$-0-**

**\$4,475,000**

(a) \$825,000 the second year is for Explore Minnesota Film. This appropriation is added to the Explore MN base in fiscal year 2026 and each year thereafter.

(b) \$400,000 the second year is for a grant to Ka Joog for Somali community and cultural festivals and events, including festivals and events in greater Minnesota. This is a onetime appropriation.

(c) \$2,000,000 the second year is for a grant to the 2026 Special Olympics USA Games to expend on providing food and housing to 2026 Special Olympics USA Games athletes. This is a onetime appropriation.

(d) \$1,250,000 the second year is for a grant to the Minneapolis Downtown Council for infrastructure and associated costs for the Taste of Minnesota event, including but not limited to buildout, permits, garbage services, staffing, security, equipment rentals, signage, and insurance. This is a onetime appropriation.

Sec. 5. Laws 2023, chapter 53, article 20, section 2, subdivision 1, is amended to read:

Subdivision 1. <b>Total Appropriation</b>	<b>\$382,802,000</b>	<b>\$ <del>310,131,000</del> <u>309,306,000</u></b>
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Appropriations by Fund

	2024	2025
General	352,525,000	<del>279,854,000</del> <u>279,029,000</u>
Remediation	700,000	700,000
Workforce Development	30,277,000	30,277,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 6. Laws 2023, chapter 53, article 20, section 2, subdivision 2, is amended to read:

Subd. 2. <b>Business and Community Development</b>	<b>195,061,000</b>	<b><del>139,929,000</del> <u>139,104,000</u></b>
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Appropriations by Fund

General	193,011,000	<del>137,879,000</del> <u>137,054,000</u>
Remediation	700,000	700,000
Workforce Development	1,350,000	1,350,000

(a) \$2,287,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2027.

(b) \$500,000 each year is for grants to small business development centers under Minnesota Statutes, section 116J.68. Money made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program

under United States Code, title 15, section 648, to provide consulting and technical services or to build additional SBDC network capacity to serve entrepreneurs and small businesses.

(c) \$2,500,000 ~~each the first year~~ is for Launch Minnesota. ~~These are~~ This is a onetime appropriations appropriation. Of this amount:

(1) \$1,500,000 ~~each year~~ is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 ~~each year~~ is for administration of Launch Minnesota; and

(3) \$500,000 ~~each year~~ is for grantee activities at Launch Minnesota.

(d)(1) \$500,000 each year is for grants to MNSBIR, Inc., to support moving scientific excellence and technological innovation from the lab to the market for start-ups and small businesses by securing federal research and development funding. The purpose of the grant is to build a strong Minnesota economy and stimulate the creation of novel products, services, and solutions in the private sector; strengthen the role of small business in meeting federal research and development needs; increase the commercial application of federally supported research results; and develop and increase the Minnesota workforce, especially by fostering and encouraging participation by small businesses owned by women and people who are Black, Indigenous, or people of color. This is a onetime appropriation.

(2) MNSBIR, Inc., shall use the grant money to be the dedicated resource for federal research and development for small businesses of up to 500 employees statewide to support research and commercialization of novel ideas, concepts, and projects into cutting-edge products and services for worldwide economic impact. MNSBIR, Inc., shall use grant money to:

(i) assist small businesses in securing federal research and development funding, including the Small Business Innovation Research and Small Business Technology Transfer programs and other federal research and development funding opportunities;

(ii) support technology transfer and commercialization from the University of Minnesota, Mayo Clinic, and federal laboratories;

(iii) partner with large businesses;

(iv) conduct statewide outreach, education, and training on federal rules, regulations, and requirements;

(v) assist with scientific and technical writing;

- (vi) help manage federal grants and contracts; and
- (vii) support cost accounting and sole-source procurement opportunities.
- (e) \$10,000,000 the first year is for the Minnesota Expanding Opportunity Fund Program under Minnesota Statutes, section 116J.8733. This is a onetime appropriation and is available until June 30, 2025.
- (f) \$6,425,000 each year is for the small business assistance partnerships program under Minnesota Statutes, section 116J.682. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The department may use up to five percent of the appropriation for administrative purposes. The base for this appropriation is \$2,725,000 in fiscal year 2026 and each year thereafter.
- (g) \$350,000 each year is for administration of the community energy transition office.
- (h) \$5,000,000 each year is transferred from the general fund to the community energy transition account for grants under Minnesota Statutes, section 116J.55. This is a onetime transfer.
- (i) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.
- (j) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.
- (k) \$389,000 each year is for the Center for Rural Policy and Development. The base for this appropriation is \$139,000 in fiscal year 2026 and each year thereafter.
- (l) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.
- (m) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.
- (n) \$6,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. Fifty percent of grant money must go to communities located outside the seven-county metropolitan area as

defined in Minnesota Statutes, section 473.121, subdivision 2. The base for this appropriation is \$1,500,000 in fiscal year 2026 and each year thereafter.

Grant recipients must obtain a 50 percent nonstate match to grant money in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant money available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

Within one year of receiving grant money, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care openings, and the amount of cash and in-kind local money invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(o) \$500,000 each year is for the Office of Child Care Community Partnerships. Of this amount:

(1) \$450,000 each year is for administration of the Office of Child Care Community Partnerships; and

(2) \$50,000 each year is for the Labor Market Information Office to conduct research and analysis related to the child care industry.

(p) \$3,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations. This appropriation is available until June 30, 2027. The base for this appropriation is \$1,000,000 in fiscal year 2026 and each year thereafter. The Minnesota Initiative Foundations must use grant money under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

(q) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8748, money appropriated for the job creation fund may be used for redevelopment under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner.

(r) \$12,370,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(s) \$4,246,000 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. The base for this appropriation is \$2,246,000 in fiscal year 2026 and each year thereafter. This appropriation is available until expended.

(t) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Money available under this paragraph is for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(u) \$325,000 ~~each the first~~ year is for the Minnesota Film and TV Board. The appropriation ~~each year~~ is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that ~~each year~~ up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date. This is a onetime appropriation.

(v) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(w) \$500,000 ~~each the first~~ year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(x) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(y) \$1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(z) \$47,475,000 ~~each the first year is~~ and \$50,475,000 ~~the second year are~~ for the PROMISE grant program. This is a onetime appropriation and is available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) \$475,000 each year is for administration of the PROMISE grant program;

(2) \$7,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota. Of this amount, \$600,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; and

(3) \$39,500,000 ~~each the first year is~~ and \$42,500,000 ~~the second year are~~ for grants to the Neighborhood Development Center. Of this amount, the following amounts are designated for the following areas:

(i) \$16,000,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods. Of this amount, \$1,000,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year;

(ii) \$13,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; ~~and~~

(iii) \$10,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year;

(iv) \$1,000,000 the first year is for South Minneapolis' Hennepin Avenue Commercial corridor, South Hennepin Community corridor, and Uptown Special Service District; and

(v) \$3,000,000 the second year is for grants to businesses in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Minneapolis and St. Paul.

(aa) \$15,150,000 each year is for the PROMISE loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$150,000 each year is for administration of the PROMISE loan program;

(2) \$3,000,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

(3) \$12,000,000 each year is for grants to the Metropolitan Economic Development Association (MEDA). Of this amount, the following amounts are designated for the following areas:

(i) \$4,500,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods;

(ii) \$4,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors; and

(iii) \$3,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods.

(bb) \$1,500,000 each year is for a grant to the Metropolitan Consortium of Community Developers for the community wealth-building grant program pilot project. Of this amount, up to two percent is for administration and monitoring of the community wealth-building grant program pilot project. This is a onetime appropriation.



(cc) \$250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(dd) \$5,000,000 the first year is for a grant to the Bloomington Port Authority to provide funding for the Expo 2027 host organization. The Bloomington Port Authority must enter into an agreement with the host organization over the use of money, which may be used for activities, including but not limited to finalizing the community dossier and staffing the host organization and for infrastructure design and planning, financial modeling, development planning and coordination of both real estate and public private partnerships, and reimbursement of costs the Bloomington Port Authority incurred. In selecting vendors and exhibitors for Expo 2027, the host organization shall prioritize outreach to, collaboration with, and inclusion of businesses that are majority owned by people of color, women, and people with disabilities. The host organization and Bloomington Port Authority may be reimbursed for expenses 90 days prior to encumbrance. This appropriation is contingent on approval of the project by the Bureau International des Expositions. If the project is not approved by the Bureau International des Expositions, the money shall transfer to the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ee) \$5,000,000 the first year is for a grant to the Neighborhood Development Center for small business programs, including training, lending, business services, and real estate programming; small business incubator development in the Twin Cities and outside the seven-county metropolitan area; and technical assistance activities for partners outside the seven-county metropolitan area; and for high-risk, character-based loan capital for nonrecourse loans. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ff) \$5,000,000 the first year is for transfer to the emerging developer fund account in the special revenue fund. Of this amount, up to five percent is for administration and monitoring of the emerging developer fund program under Minnesota Statutes, section 116J.9926, and the remainder is for a grant to the Local Initiatives Support Corporation - Twin Cities to serve as a partner organization under the program. This is a onetime appropriation.

(gg) \$5,000,000 the first year is for the Canadian border counties economic relief program under article 5. Of this amount, up to \$1,000,000 is for Tribal economic development and \$2,100,000 is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This is a onetime appropriation and is available until June 30, 2026.

(hh) \$1,000,000 each year is for a grant to African Economic Development Solutions. This is a onetime appropriation and is available until June 30, 2026. Of this amount:

(1) \$500,000 each year is for a loan fund that must address pervasive economic inequities by supporting business ventures of entrepreneurs in the African immigrant community; and

(2) \$250,000 each year is for workforce development and technical assistance, including but not limited to business development, entrepreneur training, business technical assistance, loan packing, and community development services.

(ii) \$1,500,000 each year is for a grant to the Latino Economic Development Center. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$750,000 each year is to assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations to businesses; and

(2) \$750,000 each year is to guide prospective entrepreneurs in their start-up process by introducing them to key business concepts, including business start-up readiness. Grant proceeds must be used to offer workshops on a variety of topics throughout the year, including finance, customer service, food-handler training, and food-safety certification. Grant proceeds may also be used to provide lending to business startups.

(jj) \$627,000 the first year is for a grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs. Technical assistance grants shall be based on need and given to communities that are otherwise unable to afford these services. Of the amount appropriated, up to \$270,000 may be used for economic development project implementation in conjunction with the technical assistance received. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(kk) \$2,000,000 the first year is for a grant to WomenVenture to:

(1) support child care providers through business training and shared services programs and to create materials that could be used, free of charge, for start-up, expansion, and operation of child

care businesses statewide, with the goal of helping new and existing child care businesses in underserved areas of the state become profitable and sustainable; and

(2) support business expansion for women food entrepreneurs throughout Minnesota's food supply chain to help stabilize and strengthen their business operations, create distribution networks, offer technical assistance and support to beginning women food entrepreneurs, develop business plans, develop a workforce, research expansion strategies, and for other related activities.

Eligible uses of the money include but are not limited to:

- (i) leasehold improvements;
- (ii) additions, alterations, remodeling, or renovations to rented space;
- (iii) inventory or supplies;
- (iv) machinery or equipment purchases;
- (v) working capital; and
- (vi) debt refinancing.

Money distributed to entrepreneurs may be loans, forgivable loans, and grants. Of this amount, up to five percent may be used for the WomenVenture's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

By December 15, 2026, WomenVenture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and employment and economic development. The report must include a summary of the uses of the appropriation, including the amount of the appropriation used for administration. The report must also provide a breakdown of the amount of funding used for loans, forgivable loans, and grants; information about the terms of the loans issued; a discussion of how money from repaid loans will be used; the number of entrepreneurs assisted; and a breakdown of how many entrepreneurs received assistance in each county.

(ll) \$2,000,000 the first year is for a grant to African Career, Education, and Resource, Inc., for operational infrastructure and technical assistance to small businesses. This appropriation is available until June 30, 2025.

(mm) \$5,000,000 the first year is for a grant to the African Development Center to provide loans to purchase commercial real estate and to expand organizational infrastructure. This appropriation is available until June 30, 2025. Of this amount:

(1) \$2,800,000 is for loans to purchase commercial real estate targeted at African immigrant small business owners;

(2) \$364,000 is for loan loss reserves to support loan volume growth and attract additional capital;

(3) \$836,000 is for increasing organizational capacity;

(4) \$300,000 is for the safe 2 eat project of inclusive assistance with required restaurant licensing examinations; and

(5) \$700,000 is for a center for community resources for language and technology assistance for small businesses.

(nn) \$7,000,000 the first year is for grants to the Minnesota Initiative Foundations to capitalize their revolving loan funds, which address unmet financing needs of for-profit business start-ups, expansions, and ownership transitions; nonprofit organizations; and developers of housing to support the construction, rehabilitation, and conversion of housing units. Of the amount appropriated:

(1) \$1,000,000 is for a grant to the Southwest Initiative Foundation;

(2) \$1,000,000 is for a grant to the West Central Initiative Foundation;

(3) \$1,000,000 is for a grant to the Southern Minnesota Initiative Foundation;

(4) \$1,000,000 is for a grant to the Northwest Minnesota Foundation;

(5) \$2,000,000 is for a grant to the Initiative Foundation of which \$1,000,000 is for redevelopment of the St. Cloud Youth and Family Center; and

(6) \$1,000,000 is for a grant to the Northland Foundation.

(oo) \$500,000 each year is for a grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership, employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies employing 35 or fewer full-time equivalent employees. This is a onetime appropriation. No later than February 1, 2025, and February 1, 2026, Enterprise Minnesota, Inc., must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development that includes:

(1) the grants awarded during the past 12 months;

(2) the estimated financial impact of the grants awarded to each company receiving services under the program;

(3) the actual financial impact of grants awarded during the past 24 months; and

(4) the total amount of federal funds leveraged from the Manufacturing Extension Partnership at the United States Department of Commerce.

(pp) \$375,000 each year is for a grant to PFund Foundation to provide grants to LGBTQ+-owned small businesses and entrepreneurs. Of this amount, up to five percent may be used for PFund Foundation's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026. To the extent practicable, money must be distributed by PFund Foundation as follows:

(1) at least 33.3 percent to businesses owned by members of racial minority communities; and

(2) at least 33.3 percent to businesses outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(qq) \$125,000 each year is for a grant to Quorum to provide business support, training, development, technical assistance, and related activities for LGBTQ+-owned small businesses that are recipients of a PFund Foundation grant. Of this amount, up to five percent may be used for Quorum's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

(rr) \$5,000,000 the first year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services to minority-owned businesses. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) \$3,000,000 is for a revolving loan fund to provide additional minority-owned businesses with access to capital; and

(2) \$2,000,000 is for operating support activities related to business development and assistance services for minority business enterprises.

By February 1, 2025, MEDA shall report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over economic development policy

and finance on the loans and operating support activities, including outcomes and expenditures, supported by the appropriation under this paragraph.

(ss) \$2,500,000 each year is for a grant to a Minnesota-based automotive component manufacturer and distributor specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing. The grant recipient under this paragraph shall submit reports on the uses of the money appropriated, the number of jobs created due to the appropriation, wage information, and the city and state in which the additional manufacturing activity was located to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development. An initial report shall be submitted by December 15, 2023, and a final report is due by December 15, 2025. This is a onetime appropriation.

(tt)(1) \$125,000 each year is for grants to the Latino Chamber of Commerce Minnesota to support the growth and expansion of small businesses statewide. Funds may be used for the cost of programming, outreach, staffing, and supplies. This is a onetime appropriation.

(2) By January 15, 2026, the Latino Chamber of Commerce Minnesota must submit a report to the legislative committees with jurisdiction over economic development that details the use of grant funds and the grant's economic impact.

(uu) \$175,000 the first year is for a grant to the city of South St. Paul to study options for repurposing the 1927 American Legion Memorial Library after the property is no longer used as a library. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(vv) \$250,000 the first year is for a grant to LatinoLEAD for organizational capacity-building.

(ww) \$80,000 the first year is for a grant to the Neighborhood Development Center for small business competitive grants to software companies working to improve employee engagement and workplace culture and to reduce turnover.

(xx)(1) \$3,000,000 in the first year is for a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies that respond to the needs of underserved populations statewide. This may include forgivable loans, revenue-based financing, and equity investments for entrepreneurs with barriers to growth. Of this amount, up to five percent may be used for the center's technical assistance and administrative costs. This appropriation is available until June 30, 2025.

(2) By January 15, 2026, the Center for Economic Inclusion shall submit a report on the use of grant funds, including any loans made, to the legislative committees with jurisdiction over economic development.

(yy) \$500,000 ~~each~~ the first year is for a grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This is a onetime appropriation.

(zz) \$500,000 each year is for a grant to Isuroon to support primarily African immigrant women with entrepreneurial training to start, manage, and grow self-sustaining microbusinesses, develop incubator space for these businesses, and provide support with financial and language literacy, systems navigation to eliminate capital access disparities, marketing, and other technical assistance. This is a onetime appropriation.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 7. Laws 2023, chapter 53, article 20, section 2, subdivision 3, is amended to read:

Subd. 3. <b>Employment and Training Programs</b>	112,038,000	104,499,000
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Appropriations by Fund

	2024	2025
General	91,036,000	83,497,000
Workforce Development	21,002,000	21,002,000

(a) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(b) \$25,000,000 each year is for the targeted population workforce grants under Minnesota Statutes, section 116L.43. The department may use up to five percent of this appropriation for administration, monitoring, and oversight of the program. Of this amount:

(1) \$18,500,000 each year is for job and entrepreneurial skills training grants under Minnesota Statutes, section 116L.43, subdivision 2;

(2) \$1,500,000 each year is for diversity and inclusion training for small employers under Minnesota Statutes, section 116L.43, subdivision 3; and

(3) \$5,000,000 each year is for capacity building grants under Minnesota Statutes, section 116L.43, subdivision 4.

The base for this appropriation is \$1,275,000 in fiscal year 2026 and each year thereafter.

(c) \$750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program.

(d) \$10,000,000 each year is for the Drive for Five Initiative to conduct outreach and provide job skills training, career counseling, case management, and supportive services for careers in (1) technology, (2) labor, (3) the caring professions, (4) manufacturing, and (5) educational and professional services. This is a onetime appropriation.

(e) Of the amounts appropriated in paragraph (d), the commissioner must make \$7,000,000 each year available through a competitive request for proposal process. The grant awards must be used to provide education and training in the five industries identified in paragraph (d). Education and training may include:

- (1) student tutoring and testing support services;
- (2) training and employment placement in high wage and high growth employment;
- (3) assistance in obtaining industry-specific certifications;
- (4) remedial training leading to enrollment in employment training programs or services;
- (5) real-time work experience;
- (6) career and educational counseling;
- (7) work experience and internships; and
- (8) supportive services.

(f) Of the amount appropriated in paragraph (d), \$2,000,000 each year must be awarded through competitive grants made to trade associations or chambers of commerce for job placement services. Grant awards must be used to encourage workforce training efforts to ensure that efforts are aligned with employer demands and that graduates are connected with employers that are currently hiring. Trade associations or chambers must partner with employers with current or anticipated employment opportunities and nonprofit workforce training partners participating in this program. The



trade associations or chambers must work closely with the industry sector training providers in the five industries identified in paragraph (d). Grant awards may be used for:

(1) employer engagement strategies to align employment opportunities for individuals exiting workforce development training programs. These strategies may include business recruitment, job opening development, employee recruitment, and job matching. Trade associations must utilize the state's labor exchange system;

(2) diversity, inclusion, and retention training of their members to increase the business' understanding of welcoming and retaining a diverse workforce; and

(3) industry-specific training.

(g) Of the amount appropriated in paragraph (d), \$1,000,000 each year is to hire, train, and deploy business services representatives in local workforce development areas throughout the state. Business services representatives must work with an assigned local workforce development area to address the hiring needs of Minnesota's businesses by connecting job seekers and program participants in the CareerForce system. Business services representatives serve in the classified service of the state and operate as part of the agency's Employment and Training Office. The commissioner shall develop and implement training materials and reporting and evaluation procedures for the activities of the business services representatives. The business services representatives must:

(1) serve as the primary contact for businesses in that area;

(2) actively engage employers by assisting with matching employers to job seekers by referring candidates, convening job fairs, and assisting with job announcements; and

(3) work with the local area board and its partners to identify candidates for openings in small and midsize companies in the local area.

(h) \$2,546,000 each year from the general fund and \$4,604,000 each year from the workforce development fund are for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program.

(i) \$500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

(j) \$1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(k) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

(l) \$750,000 each year from the general fund and \$6,698,000 each year from the workforce development fund are for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The base for this appropriation is \$750,000 from the general fund and \$3,348,000 from the workforce development fund beginning in fiscal year 2026 and each year thereafter.

(m) \$1,093,000 each year is from the general fund and \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. The base for this appropriation is \$1,000,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(n) \$4,511,000 each year from the general fund and \$4,050,000 each year from the workforce development fund are for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561. The base for this appropriation is \$0 from the general fund and \$4,050,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(o) \$750,000 each year is for the Office of New Americans under Minnesota Statutes, section 116J.4231.

(p) \$1,000,000 each year from the workforce development fund is for a grant to the Minnesota Technology Association to support the SciTech internship program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate

students in their fields of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 325 students must be matched each year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$3,000 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(q) \$750,000 each year is for grants to the Minneapolis Park and Recreation Board's Teen Teamworks youth employment and training programs. This is a onetime appropriation and available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(r) \$900,000 each year is for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. Of this amount, up to \$250,000 each year is for a grant to Avivo to provide resources and support services to survivors of sex trafficking and domestic abuse in the greater St. Cloud area as they search for employment. Program resources include but are not limited to costs for day care, transportation, housing, legal advice, procuring documents required for employment, interview clothing, technology, and Internet access. The program shall also include public outreach and corporate training components to communicate to the public and potential employers about the specific struggles faced by survivors as they re-enter the workforce. This is a onetime appropriation.

(s) \$1,000,000 each year is for the getting to work grant program under Minnesota Statutes, section 116J.545. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(t) \$400,000 each year is for a grant to the nonprofit 30,000 Feet to fund youth apprenticeship jobs, wraparound services, after-school programming, and summer learning loss prevention efforts targeted at African American youth. This is a onetime appropriation.

(u) \$463,000 the first year is for a grant to the Boys and Girls Club of Central Minnesota. This is a onetime appropriation. Of this amount:

(1) \$313,000 is to fund one year of free full-service programming for a new program in Waite Park that will employ part-time youth development staff and provide community volunteer opportunities

for people of all ages. Career exploration and life skills programming will be a significant dimension of programming at this new site; and

(2) \$150,000 is for planning and design for a new multiuse facility for the Boys and Girls Club of Waite Park and other community partners, including the Waite Park Police Department and the Whitney Senior Center.

(v) \$1,000,000 each year is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience, including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(w) \$1,000,000 the first year is for a grant to the Owatonna Area Chamber of Commerce Foundation for the Learn and Earn Initiative to help the Owatonna and Steele County region grow and retain a talented workforce. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$900,000 is to develop an advanced manufacturing career pathway program for youth and adult learners with shared learning spaces, state-of-the-art equipment, and instructional support to grow and retain talent in Owatonna; and

(2) \$100,000 is to create the Owatonna Opportunity scholarship model for the Learn and Earn Initiative for students and employers.

(x) \$250,000 each year from the workforce development fund is for a grant to the White Bear Center for the Arts for establishing a paid internship program for high school students to learn professional development skills through an arts perspective. This is a onetime appropriation.

(y) \$250,000 each year is for the Minnesota Family Resiliency Partnership under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the money to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(z) \$600,000 each year is for a grant to East Side Neighborhood Services. This is a onetime appropriation of which:

(1) \$300,000 each year is for the senior community service employment program, which provides work readiness training to low-income adults ages 55 and older to provide ongoing support and mentoring services to the program participants as well as the transition period from subsidized wages to unsubsidized wages; and

(2) \$300,000 each year is for the nursing assistant plus program to serve the increased need for growth of medical talent pipelines through expansion of the existing program and development of in-house training.

The amounts specified in clauses (1) and (2) may also be used to enhance employment programming for youth and young adults, ages 14 to 24, to introduce them to work culture, develop essential work readiness skills, and make career plans through paid internship experiences and work readiness training.

(aa) \$1,500,000 each year from the workforce development fund is for a grant to Ujamaa Place to assist primarily African American men with job training, employment preparation, internships, education, vocational housing, and organizational capacity building. This is a onetime appropriation.

(bb) \$500,000 each year is for a grant to Comunidades Organizando el Poder y la Acción Latina (COPAL) for worker center programming that supports primarily low-income, migrant, and Latinx workers with career planning, workforce training and education, workers' rights advocacy, health resources and navigation, and wealth creation resources. This is a onetime appropriation.

(cc) \$2,000,000 each year is for a grant to Propel Nonprofits to provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities. Propel Nonprofits may only award grants to nonprofit organizations that have an annual organizational budget of less than \$1,000,000. These grants may be used for:

(1) organizational infrastructure improvements, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creating or expanding partnerships with existing organizations that have specialized expertise in order to increase capacity of the grantee organization to improve services to the community.

Of this amount, up to five percent may be used by Propel Nonprofits for administrative costs. This is a onetime appropriation.

(dd) \$1,000,000 each year is for a grant to Goodwill Easter Seals Minnesota and its partners. The grant must be used to continue the FATHER Project in Rochester, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally, including with community re-entry following confinement. This is a onetime appropriation.

(ee) \$250,000 the first year is for a grant to the ProStart and Hospitality Tourism Management Program for a well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry.

(ff) \$450,000 each year is for grants to Minnesota Diversified Industries to provide inclusive employment opportunities and services for people with disabilities. This is a onetime appropriation.

(gg) \$1,000,000 the first year is for a grant to Minnesota Diversified Industries to assist individuals with disabilities through the unified work model by offering virtual and in-person career skills classes augmented with virtual reality tools. Minnesota Diversified Industries shall submit a report on the number and demographics of individuals served, hours of career skills programming delivered, outreach to employers, and recommendations for future career skills delivery methods to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and workforce development policy and finance by January 15, 2026. This is a onetime appropriation and is available until June 30, 2025.

(hh) \$1,264,000 each year is for a grant to Summit Academy OIC to expand employment placement, GED preparation and administration, and STEM programming in the Twin Cities, Saint Cloud, and Bemidji. This is a onetime appropriation.

(ii) \$500,000 each year is for a grant to Minnesota Independence College and Community to provide employment preparation, job placement, job retention, and service coordination services to adults with autism and learning differences. This is a onetime appropriation.

(jj) \$1,000,000 the first year and \$2,000,000 the second year are for a clean economy equitable workforce grant program. Money must be used for grants to support partnership development,

planning, and implementation of workforce readiness programs aimed at workers who are Black, Indigenous, and People of Color. Programs must include workforce training, career development, workers' rights training, employment placement, and culturally appropriate job readiness and must prepare workers for careers in the high-demand fields of construction, clean energy, and energy efficiency. Grants must be given to nonprofit organizations that serve historically disenfranchised communities, including new Americans, with preference for organizations that are new providers of workforce programming or which have partnership agreements with registered apprenticeship programs. This is a onetime appropriation.

(kk) \$350,000 the first year and \$25,000 the second year are for a grant to the University of Minnesota Tourism Center for the creation and operation of an online hospitality training program in partnership with Explore Minnesota Tourism. This training program must be made available at no cost to Minnesota residents in an effort to address critical workforce shortages in the hospitality and tourism industries and assist in career development. The base for this appropriation is \$25,000 in fiscal year 2026 and each year thereafter for ongoing system maintenance, management, and content updates.

(ll) \$3,000,000 the first year is for competitive grants to support high school robotics teams and prepare youth for careers in STEM fields. Of this amount, \$2,000,000 is for creating internships for high school students to work at private companies in STEM fields, including the payment of student stipends. This is a onetime appropriation and is available until June 30, 2028.

(mm) \$750,000 each year is for grants to the nonprofit Sanneh Foundation to fund out-of-school and summer programs focused on mentoring and behavioral, social, and emotional learning interventions and enrichment activities directed toward low-income students of color. This is a onetime appropriation and available until June 30, ~~2026~~ 2027.

(nn) \$1,000,000 each year is for a grant to the Hmong American Partnership to expand job training and placement programs primarily serving the Southeast Asian community. This is a onetime appropriation.

(oo) \$1,000,000 each year is for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals. Grant money must support short-term certifications and transferable skills in high-demand fields, workforce readiness, customized financial capability, and employment supports. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(pp) \$300,000 each year is for a grant to All Square. The grant must be used to support the operations of All Square's Fellowship and Prison to Law Pipeline programs which operate in Minneapolis, St. Paul, and surrounding correctional facilities to assist incarcerated and formerly incarcerated Minnesotans in overcoming employment barriers that prevent economic and emotional freedom. This is a onetime appropriation.

(qq) \$1,000,000 each year is for a grant to the Redemption Project to provide employment services to adults leaving incarceration, including recruiting, educating, training, and retaining employment mentors and partners. This is a onetime appropriation.

(rr) \$500,000 each year is for a grant to Greater Twin Cities United Way to make grants to partner organizations to provide workforce training using the career pathways model that helps students gain work experience, earn experience in high-demand fields, and transition into family-sustaining careers. This is a onetime appropriation.

(ss) \$3,000,000 each year is for a grant to Community Action Partnership of Hennepin County. This is a onetime appropriation. Of this amount:

(1) \$1,500,000 each year is for grants to 21 Days of Peace for social equity building and community engagement activities; and

(2) \$1,500,000 each year is for grants to A Mother's Love for community outreach, empowerment training, and employment and career exploration services.

(tt) \$750,000 each year is for a grant to Mind the G.A.P.P. (Gaining Assistance to Prosperity Program) to improve the quality of life of unemployed and underemployed individuals by improving their employment outcomes and developing individual earnings potential. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(uu) \$550,000 each year is for a grant to the International Institute of Minnesota. Grant money must be used for workforce training for new Americans in industries in need of a trained workforce. This is a onetime appropriation.

(vv) \$400,000 each year from the workforce development fund is for a grant to Hired to expand their career pathway job training and placement program that connects lower-skilled job seekers to entry-level and gateway jobs in high-growth sectors. This is a onetime appropriation.



(ww) \$500,000 each year is for a grant to the American Indian Opportunities and Industrialization Center for workforce development programming, including reducing academic disparities for American Indian students and adults. This is a onetime appropriation.

(xx) \$500,000 each year from the workforce development fund is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. Of this amount, up to \$5,000 may be used for administrative costs. This is a onetime appropriation.

(yy) \$275,000 each year is for a grant to Southeast Minnesota Workforce Development Area 8 and Workforce Development, Inc., to provide career planning, career pathway training and education, wraparound support services, and job skills advancement in high-demand careers to individuals with barriers to employment in Steele County, and to help families build secure pathways out of poverty and address worker shortages in the Owatonna and Steele County area, as well as supporting Employer Outreach Services that provide solutions to workforce challenges and direct connections to workforce programming. Money may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. Up to five percent of grant money may be used for Workforce Development, Inc.'s administrative costs. This is a onetime appropriation and is available until June 30, 2027.

(zz) \$589,000 the first year and \$588,000 the second year are for grants to the Black Women's Wealth Alliance to provide low-income individuals with job skills training, career counseling, and job placement assistance. This is a onetime appropriation.

(aaa) \$250,000 each year is for a grant to Abijahs on the Backside to provide equine experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder. For purposes of this paragraph, a "first responder" is a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); a full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5; or a volunteer firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 7.

Abijahs on the Backside must report to the commissioner of employment and economic development and the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy and finance on the equine experiential mental health therapy provided to first responders under this paragraph. The report must

include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to and benefits received by program participants. An initial report is due by January 15, 2024, and a final report is due by January 15, 2026. This is a onetime appropriation.

(bbb) \$500,000 each year is for a grant to Ramsey County to provide job training and workforce development for underserved communities. Grant money may be subgranted to Milestone Community Development for the Milestone Tech program. This is a onetime appropriation.

(ccc) \$500,000 each year is for a grant to Ramsey County for a technology training pathway program focused on intergenerational community tech work for residents who are at least 18 years old and no more than 24 years old and ~~who live in a census tract that has a poverty rate of at least 20 percent as reported in the most recently completed decennial census published by the United States Bureau of the Census~~ whose household income is at or below 200 percent of the federal poverty level. Grant money may be used for program administration, training, training stipends, wages, and support services. This is a onetime appropriation.

(ddd) \$200,000 each year is for a grant to Project Restore Minnesota for the Social Kitchen project, a pathway program for careers in the culinary arts. This is a onetime appropriation and is available until June 30, 2027.

(eee) \$100,000 each year is for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and award scholarships for students pursuing careers in the food industry. This is a onetime appropriation.

(fff) \$1,200,000 each year is for a grant to Twin Cities R!SE. Of this amount, \$700,000 each year is for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to individuals facing barriers to employment; and \$500,000 each year is to increase the capacity of the Empowerment Institute through employer partnerships across Minnesota and expansion of the youth personal empowerment curriculum. This is a onetime appropriation and available until June 30, 2026.

(ggg) \$750,000 each year is for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most

innovative industries. Grants may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant money may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(hhh) \$500,000 each year is for a grant to Big Brothers Big Sisters of the Greater Twin Cities to provide disadvantaged youth ages 12 to 21 with job-seeking skills, connections to job training and education opportunities, and mentorship while exploring careers. The grant shall serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(iii) \$3,000,000 each year is for a grant to Youthprise to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated African populations statewide. Of these amounts, 50 percent is for subgrants to Ka Joog and 50 percent is for competitive subgrants to community organizations. This is a onetime appropriation.

(jjj) \$350,000 each year is for a grant to the YWCA Minneapolis to provide training to eligible individuals, including job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early education. This is a onetime appropriation.

(kkk) \$500,000 each year is for a grant to Emerge Community Development to support and reinforce critical workforce training at the Emerge Career and Technical Center, Cedar Riverside Opportunity Center, and Emerge Second Chance programs in the city of Minneapolis. This is a onetime appropriation.

(lll) \$425,000 each year is for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. This is a onetime appropriation.

Better Futures Minnesota shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and job skills training provided to program participants.

(mmm) \$500,000 each year is for a grant to Pillsbury United Communities to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(nnn) \$500,000 each year is for a grant to Project for Pride in Living for job training and workforce development services for underserved communities. This is a onetime appropriation.

(ooo) \$300,000 each year is for a grant to YMCA of the North to provide career exploration, job training, and workforce development services for underserved youth and young adults. This is a onetime appropriation.

(ppp) \$500,000 each year is for a grant to Al Maa'uun, formerly the North at Work program, for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. This is a onetime appropriation.

(qqq) \$500,000 each year is for a grant to CAIRO to provide workforce development services in health care, technology, and transportation (CDL) industries. This is a onetime appropriation.

(rrr) \$500,000 each year is for a grant to the Central Minnesota Community Empowerment Organization for providing services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(sss) \$270,000 each year is for a grant to the Stairstep Foundation for community-based workforce development efforts. This is a onetime appropriation.

(ttt) \$400,000 each year is for a grant to Building Strong Communities, Inc, for a statewide apprenticeship readiness program to prepare women, BIPOC community members, and veterans to enter the building and construction trades. This is a onetime appropriation.

(uuu) \$150,000 each year is for prevailing wage staff under Minnesota Statutes, section 116J.871, subdivision 2.

(vvv) \$250,000 each year is for the purpose of awarding a grant to Minnesota Community of African People with Disabilities (MNCAPD), Roots Connect, and Fortune Relief and Youth Empowerment Organization (FRAYEO). This is a onetime appropriation. MNCAPD, Roots Connect, and FRAYEO must use

grant proceeds to provide funding for workforce development activities for at-risk youth from low-income families and unengaged young adults experiencing disabilities, including:

- (1) job readiness training for at-risk youth, including resume building, interview skills, and job search strategies;
- (2) on-the-job training opportunities with local businesses;
- (3) support services such as transportation assistance and child care to help youth attend job training programs; and
- (4) mentorship and networking opportunities to connect youth with professionals in the youth's desired fields.

(www)(1) \$250,000 each year is for a grant to Greater Rochester Advocates for Universities and Colleges (GRAUC), a collaborative organization representing health care, business, workforce development, and higher education institutions, for expenses relating to starting up a state-of-the-art simulation center for training health care workers in southeast Minnesota. Once established, this center must be self-sustaining through user fees. Eligible expenses include leasing costs, developing and providing training, and operational costs. This is a onetime appropriation.

(2) By January 15, 2025, GRAUC must submit a report, including an independent financial audit of the use of grant money, to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education and economic development. This report must include details on the training provided at the simulation center, including the names of all organizations that use the center for training, the number of individuals each organization trained, and the type of training provided.

(xxx)(1) \$350,000 each year is for a grant to the Minnesota Association of Black Lawyers for a pilot program supporting black undergraduate students pursuing admission to law school. This is a onetime appropriation.

(2) The program must:

- (i) enroll an initial cohort of ten to 20 black Minnesota resident students attending a baccalaureate degree-granting postsecondary institution in Minnesota full time;
- (ii) support each of the program's students with an academic scholarship in the amount of \$4,000 per academic year;

(iii) organize events and programming, including but not limited to one-on-one mentoring, to familiarize enrolled students with law school and legal careers; and

(iv) provide the program's students free test preparation materials, academic support, and registration for the Law School Admission Test (LSAT) examination.

(3) The Minnesota Association of Black Lawyers may use grant funds under clause (1) for costs related to:

(i) student scholarships;

(ii) academic events and programming, including food and transportation costs for students;

(iii) LSAT preparation materials, courses, and registrations; and

(iv) hiring staff for the program.

(4) By January 30, 2024, and again by January 30, 2025, the Minnesota Association of Black Lawyers must submit a report to the commissioner and to the chairs and ranking minority members of legislative committees with jurisdiction over workforce development finance and policy and higher education finance and policy. The report must include an accurate and detailed account of the pilot program, its outcomes, and its revenues and expenses, including the use of all state funds appropriated in clause (1).

(yyy) \$2,000,000 the first year is for a grant to the Power of People Leadership Institute (POPLI) to expand pre- and post-release personal development and leadership training and community reintegration services, to reduce recidivism, and increase access to employment. This is a onetime appropriation and is available until June 30, 2025.

(zzz) \$500,000 the first year is to the Legislative Coordinating Commission for the Working Group on Youth Interventions. This is a onetime appropriation.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 8. Laws 2023, chapter 53, article 20, section 2, subdivision 4, is amended to read:

Subd. 4. <b>General Support Services</b>	18,045,000	8,045,000
Appropriations by Fund		
	2024	2025
General Fund	17,950,000	7,950,000
Workforce Development	95,000	95,000

The base for the general support services division in fiscal year 2026 is \$5,950,000 for the general fund and \$95,000 for the workforce development fund.

(a) \$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

(b) \$10,000,000 the first year is for the workforce digital transformation projects. This appropriation is onetime and is available until June 30, 2027.

Sec. 9. Laws 2023, chapter 53, article 20, section 2, subdivision 6, is amended to read:

Subd. 6. <b>Vocational Rehabilitation</b>	45,691,000	<del>45,691,000</del> <u>40,636,000</u>
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Appropriations by Fund

	2024	2025
General	37,861,000	<del>37,861,000</del> <u>32,806,000</u>
Workforce Development	7,830,000	7,830,000

(a) \$14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$11,495,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, \$4,500,000 each year is for maintaining prior rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) ~~\$5,055,000 each year~~ in the first year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14, and is available until June 30, 2025. The base for this appropriation is \$2,555,000 in fiscal year 2026 and each year thereafter.

(d) \$7,011,000 each year is for grants to centers for independent living under Minnesota Statutes, section 268A.11. This appropriation is available until June 30, 2027. The base for this appropriation is \$3,011,000 in fiscal year 2026 and each year thereafter.

(e) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 10. Laws 2023, chapter 53, article 20, section 3, is amended to read:

Sec. 3. **EXPLORE MINNESOTA TOURISM**

**\$ ~~40,954,000~~  
40,554,000**

**\$21,369,000**

(a) \$500,000 each year must be matched from nonstate sources to develop maximum private sector involvement in tourism. Each \$1 of state incentive must be matched with \$6 of private sector money. "Matched" means revenue to the state or documented in-kind, soft match, or cash expenditures directly expended to support Explore Minnesota Tourism under Minnesota Statutes, section 116U.05. The incentive in fiscal year 2024 is based on fiscal year 2023 private sector contributions. The incentive in fiscal year 2025 is based on fiscal year 2024 private sector contributions. This incentive is ongoing.

(b) \$11,000,000 the first year is for the development of Explore Minnesota for Business under Minnesota Statutes, section 116U.07, to market the overall livability and economic opportunities of Minnesota. This is a onetime appropriation.

(c) \$5,500,000 each year is for the development of new initiatives for Explore Minnesota Tourism. If the amount in the first year is insufficient, the amount in the second year is available in the first year. This is a onetime appropriation.

(d) ~~\$6,047,000~~ \$5,647,000 the first year and \$600,000 the second year is for grants for infrastructure and associated costs for cultural festivals and events, including but not limited to buildout, permits, sanitation and maintenance services, transportation, staffing, event programming, public safety, facilities and equipment rentals, signage, and insurance. This is a onetime appropriation. Of this amount:

(1) \$1,847,000 the first year is for a grant to the Minneapolis Downtown Council for the Taste of Minnesota event;

(2) \$1,200,000 the first year is for a grant to the Stairstep Foundation for African American cultural festivals and events;



(3) ~~\$1,200,000~~ \$800,000 the first year is for grants for Somali community and cultural festivals and events, including festivals and events in greater Minnesota, as follows:

(i) \$400,000 is for a grant to Ka Joog; and

(ii) \$400,000 is for a grant to the Somali Museum of Minnesota; ~~and~~

~~(iii) \$400,000 is for a grant to ESHARA;~~

(4) \$1,200,000 the first year is for a grant to West Side Boosters for Latino cultural festivals and events; and

(5) \$600,000 the first year and \$600,000 the second year are for grants to the United Hmong Family, Inc. for the Hmong International Freedom Festival event.

(e) Money for marketing grants is available either year of the biennium. Unexpended grant money from the first year is available in the second year.

(f) The base for Explore Minnesota is \$17,023,000 from the general fund in fiscal year 2026 and each year thereafter.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 11. Laws 2023, chapter 53, article 21, section 6, is amended to read:

Sec. 6. **TRANSFERS.**

(a) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$400,000,000 from the general fund to the Minnesota forward fund account established in Minnesota Statutes, section 116J.8752, subdivision 2. The base for this transfer is \$0.

(b) In the biennium ending on June 30, 2025, the commissioner of management and budget shall transfer \$25,000,000 from the general fund to the Minnesota climate innovation authority account established in Minnesota Statutes, section 216C.441, subdivision 11. The base for this transfer is \$0.

(c) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$75,000,000 from the general fund to the state competitiveness fund account established in Minnesota Statutes, section 216C.391, subdivision 2. Notwithstanding Minnesota Statutes, section 216C.391, subdivision 2, the commissioner of commerce must use this transfer for grants to eligible entities for projects receiving federal loans or tax credits where the benefits are in disadvantaged communities. The base for this transfer is \$0. Up to three percent of money transferred under this paragraph is for administrative costs.

(d) ~~In the biennium ending on June 30, 2027,~~ The commissioners of management and budget, in consultation with the commissioners of employment and economic development and commerce, may transfer money between the Minnesota forward fund account, the Minnesota climate innovation authority account, and the state competitiveness fund account. The commissioner of management and budget must notify the Legislative Advisory Commission within 15 days of making transfers under this paragraph.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 12. Laws 2023, chapter 53, article 21, section 7, is amended to read:

Sec. 7. **APPROPRIATIONS.**

(a) \$50,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development for providing businesses with matching funds required by federal programs. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(b) \$100,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match existing federal funds made available in the Consolidated Appropriations Act, Public Law 117-328. This appropriation must be used to (1) construct and operate a bioindustrial manufacturing pilot innovation facility, biorefinery, or commercial campus utilizing agricultural feedstocks or (2) for a Minnesota aerospace center for research, development, and testing, or both (1) and (2). This appropriation is not subject to the grant limit requirements of Minnesota Statutes, section 116J.8752, subdivision ~~subdivisions~~ 4, paragraph (b), and 5. Notwithstanding Minnesota Statutes, section 116J.8752, subdivision 4, paragraph (a), this appropriation may include land acquisition as an eligible use to construct a bioindustrial manufacturing pilot innovation facility, a biorefinery, and an aerospace center for research, development, and testing. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(c) \$250,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match federal funds made available in the Chips and Science Act, Public Law 117-167. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. This appropriation is not subject to Minnesota Statutes, section 116J.8752, subdivision 5. The commissioner may use up to two percent for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(d) The commissioner may use the appropriation under paragraph (c) to allocate up to 15 percent of the total project cost with a maximum of \$75,000,000 per project for the purpose of constructing, modernizing, or expanding commercial facilities on the front- and back-end fabrication of leading-edge, current-generation, and mature-node semiconductors; funding semiconductor materials and manufacturing equipment facilities; and for research and development facilities.

(e) The commissioner may use the appropriation under paragraph (c) to award:

(1) grants to institutions of higher education for developing and deploying training programs and to build pipelines to serve the needs of industry; and

(2) grants to increase the capacity of institutions of higher education to serve industrial requirements for research and development that coincide with current and future requirements of projects eligible under this section. Grant money may be used to construct and equip facilities that serve the purpose of the industry. The maximum grant award per institution of higher education under this section is \$5,000,000 and may not represent more than 50 percent of the total project funding from other sources. Use of this funding must be supported by businesses receiving funds under clause (1).

(f) Money appropriated in paragraphs (a), (b), and (c) may be transferred between appropriations within the Minnesota forward fund account by the commissioner of employment and economic development with approval of the commissioner of management and budget. The commissioner must notify the Legislative Advisory Commission at least 15 days prior to changing appropriations under this paragraph.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 13. **JOB CREATION FUND; TRANSFER OUT.**

\$3,000,000 in fiscal year 2025 is transferred from the job creation fund under Minnesota Statutes, section 116J.8748, to the general fund. This is a onetime transfer.

Sec. 14. **REPORT TO LEGISLATURE.**

Subdivision 1. **Application.** This section applies to any grant funded under this act whether the recipient of the grant is individually specified, or if not individually specified, will result in a grant to a single recipient.

Subd. 2. **Reporting to the commissioner.** In addition to meeting any other reporting requirements under existing law, included in a grant agreement, or as specified in an appropriation in this act, a grant recipient subject to this section must provide the information necessary for the commissioner to submit the report required under subdivision 3.

Subd. 3. **Report to legislature.** By January 15, 2026, the commissioner of employment and economic development must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development or workforce development, as applicable, with the following information:

- (1) a detailed accounting of the use of any grant funds;
- (2) the portion of the grant, if any, spent on the recipient's administrative expenses;
- (3) the number of individuals served by the grant; and
- (4) any other reporting requirement specified for an appropriation under this act.

Sec. 15. **CANCELLATIONS.**

(a) Notwithstanding Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), if the Bureau International des Expositions does not approve the Expo 2027 project, the money appropriated in Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), cancels to the general fund.

(b) The unencumbered balance of the appropriation to the commissioner of employment and economic development for the workforce housing grant program in Laws 2015, First Special Session article 1, section 2, subdivision 2, paragraph (l), is canceled to the general fund.

ARTICLE 2  
POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 116L.43, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Community-based organization" means a nonprofit organization that:

- (1) provides workforce development programming or services;
- ~~(2) has an annual organizational budget of no more than \$1,000,000;~~

~~(3)~~ (2) has its primary office located in a historically underserved community of color or low-income community; and

~~(4)~~ (3) serves a population that generally reflects the demographics of that local community.

(c) "Entry level jobs" means part-time or full-time jobs that an individual can perform without any prior education or experience.

(d) "High wage" means the income needed for a family to cover minimum necessary expenses in a given geographic area, including food, child care, health care, housing, and transportation.

(e) "Industry specific certification" means a credential an individual can earn to show proficiency in a particular area or skill.

(f) "Remedial training" means additional training provided to staff following the identification of a need and intended to increase proficiency in performing job tasks.

(g) "Small business" has the same meaning as section 645.445.

Sec. 2. **[116U.255] EXPLORE MINNESOTA FILM.**

Subdivision 1. **Office established; director.** (a) Explore Minnesota Film is established as an office within Explore Minnesota.

(b) The director of Explore Minnesota shall appoint the director of Explore Minnesota Film. The director of Explore Minnesota Film must be qualified by experience with issues related to film and television production and economic development.

(c) The office may employ staff necessary to carry out the duties required in this section.

Subd. 2. **Duties.** The director of Explore Minnesota Film is authorized to:

(1) administer the film production jobs program and the film production credit program;

(2) promote Minnesota as a location for film and television production;

(3) assist in the establishment and implementation of programs related to film and television production, including but not limited to permitting and workforce development;

(4) improve communication among local, state, federal, and private entities regarding film and television production logistics and best practices;

(5) coordinate the development of statewide policies addressing film and television production; and

(6) act as a liaison to production entities, workers, and state agencies.

Sec. 3. Minnesota Statutes 2022, section 116U.26, is amended to read:

**116U.26 FILM PRODUCTION JOBS PROGRAM.**

(a) The film production jobs program is created. The program shall be operated by ~~the Minnesota Film and TV Board~~ Explore Minnesota Film with administrative oversight and control by the ~~commissioner of employment and economic development~~ director of Explore Minnesota. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to ~~the Minnesota Film and TV Board~~ Explore Minnesota Film of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

~~The Minnesota Film and TV Board~~ Explore Minnesota Film shall make recommendations to the ~~commissioner of employment and economic development~~ director of Explore Minnesota about program payment, but the ~~commissioner~~ director has the authority to make the final determination on payments. The ~~commissioner's~~ director's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment;

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;

(viii) above-the-line talent fees for nonresident talent; or

(ix) costs incurred during postproduction; and

(2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, ~~the Minnesota Film and TV Board~~ Explore Minnesota Film may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

Sec. 4. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer upon receipt and approval of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

~~(d) "Commissioner" means the commissioner of employment and economic development.~~

~~(e)~~ (d) "Credit certificate" means a certificate issued by the commissioner upon receipt and approval of the cost verification report in subdivision 4, paragraph (e).

(e) "Director" means the director of Explore Minnesota.

(f) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

(g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(h) "Project" means a film:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least \$1,000,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

Television commercials are exempt from the requirement under clause (1).

(i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the ~~commissioner and lasting approximately five seconds~~ director, that promotes Minnesota within its presentation in the end credits ~~before the below the line crew crawl~~ for the life of the project.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 4, is amended to read:

Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the ~~commissioner~~ director an application for a credit in the form prescribed by the ~~commissioner~~ director, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the ~~commissioner~~ director shall issue allocation certificates that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to 25 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

~~The commissioner must consult with the Minnesota Film and TV Board prior to issuing an allocation certificate.~~

(c) The ~~commissioner~~ director must not issue allocation certificates for more than \$24,950,000 of credits each year. If the entire amount is not allocated in that taxable year, any remaining amount is available for allocation for the four following taxable years until the entire allocation has been made. The ~~commissioner~~ director must not award any credits for taxable years beginning after December 31, 2030, and any unallocated amounts cancel on that date.

(d) The ~~commissioner~~ director must allocate credits on a first-come, first-served basis.

(e) Upon completion of a project, the taxpayer shall submit to the ~~commissioner~~ director a report prepared by an independent certified public accountant licensed in the state of Minnesota to verify the amount of eligible production costs related to the project. The report must be prepared in accordance with generally accepted accounting principles. Upon receipt and approval of the cost verification report and other documents required by the ~~commissioner~~ director, the ~~commissioner~~ director shall determine the final amount of eligible production costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the allocation certificate. If the credit is less than the anticipated amount on the allocation credit, the difference is returned to the amount available for allocation under paragraph (c). To claim the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit certificate as part of the taxpayer's return.

Sec. 6. Minnesota Statutes 2022, section 116U.27, subdivision 5, is amended to read:

Subd. 5. **Report required.** By January 15, 2025, the commissioner of revenue, in consultation with the ~~commissioner~~ director, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

(1) the amount of credit certifications issued annually;

(2) the number of applications submitted, the number of allocation certificates issued, the amount of allocation certificates issued, the number of reports submitted upon completion of a project, and the number of credit certificates issued;

(3) the types of projects eligible for the credit;

(4) the total economic impact of the credit in Minnesota, including the calendar year over calendar year percentage changes in the number of jobs held by Minnesota residents in businesses having a primary North American Industry Classification System code of 512110 as reported to the commissioner, for calendar years 2019 through 2023;

(5) the number of taxpayers per tax type which are assignees of credit certificates under subdivision 3;

(6) annual Minnesota taxes paid by businesses having a primary North American Industry Classification System code of 512110, for taxable years beginning after December 31, 2018, and before January 1, 2024; and

(7) any other information the commissioner of revenue, in consultation with the ~~commissioner~~ director, deems necessary for purposes of claiming and administering the credit.

Sec. 7. Minnesota Statutes 2022, section 116U.27, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** Beginning in fiscal year 2022, \$50,000 is annually appropriated from the general fund to the commissioner of revenue for a transfer to ~~the Department of Employment and Economic Development~~ Explore Minnesota for costs associated with personnel and administrative expenses related to administering the credit. This subdivision expires on June 30, 2025.

Sec. 8. Minnesota Statutes 2022, section 268.035, subdivision 20, is amended to read:

Subd. 20. **Noncovered employment.** "Noncovered employment" means:

- (1) employment for the United States government or an instrumentality thereof, including military service;
- (2) employment for a state, other than Minnesota, or a political subdivision or instrumentality thereof;
- (3) employment for a foreign government;
- (4) employment covered under the federal Railroad Unemployment Insurance Act;
- (5) employment for a church or convention or association of churches, or a nonprofit organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;
- (6) employment for an elementary or secondary school with a curriculum that includes religious education that is operated by a church, a convention or association of churches, or a nonprofit organization that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;
- (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order;
- (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed in a facility certified by the Rehabilitation Services Branch of the department or in a day training or habilitation program licensed by the Department of Human Services;
- (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving work relief or work training as part of an unemployment work relief or work training program financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. This clause does not apply to programs that require unemployment benefit coverage for the participants;
- (10) employment for Minnesota or a political subdivision, as an elected official, a member of a legislative body, or a member of the judiciary;
- (11) employment as a member of the Minnesota National Guard or Air National Guard;
- (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of an individual serving on a temporary basis in case of fire, flood, tornado, or similar emergency;



(13) employment as an election official or election worker for Minnesota or a political subdivision, if the compensation for that employment was less than \$1,000 in a calendar year;

(14) employment for Minnesota that is a major policy-making or advisory position in the unclassified service;

(15) employment for Minnesota in an unclassified position established under section 43A.08, subdivision 1a;

(16) employment for a political subdivision of Minnesota that is a nontenured major policy making or advisory position;

(17) domestic employment in a private household, local college club, or local chapter of a college fraternity or sorority, if the wages paid in any calendar quarter in either the current or prior calendar year to all individuals in domestic employment totaled less than \$1,000.

"Domestic employment" includes all service in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade or business;

(18) employment of an individual by a son, daughter, or spouse, and employment of a child under the age of 18 by the child's father or mother;

(19) employment of an inmate of a custodial or penal institution;

(20) employment for a school, college, or university, by a student who is enrolled and whose primary relation to the school, college, or university is as a student. This does not include an individual whose primary relation to the school, college, or university is as an employee who also takes courses;

(21) employment of an individual who is enrolled as a student in a full-time program at a nonprofit or public educational institution that maintains a regular faculty and curriculum and has a regularly organized body of students in attendance at the place where its educational activities are carried on, taken for credit at the institution, that combines academic instruction with work experience, if the employment is an integral part of the program, and the institution has so certified to the employer, except that this clause does not apply to employment in a program established for or on behalf of an employer or group of employers;

(22) employment of a foreign college or university student who works on a seasonal or temporary basis under the J-1 visa summer work travel program described in Code of Federal Regulations, title 22, section 62.32;

(23) employment of university, college, or professional school students in an internship or other training program with the city of St. Paul or the city of Minneapolis under Laws 1990, chapter 570, article 6, section 3;

(24) employment for a hospital by a patient of the hospital. "Hospital" means an institution that has been licensed by the Department of Health as a hospital;

(25) employment as a student nurse for a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in an accredited nurses' training school;

(26) employment as an intern for a hospital by an individual who has completed a four-year course in an accredited medical school;

(27) employment as an insurance salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission. The word "insurance" includes an annuity and an optional annuity;

(28) employment as an officer of a township mutual insurance company or farmer's mutual insurance company under chapter 67A;

(29) employment of a corporate officer, if the officer directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer corporation, and employment of a member of a limited liability company, if the member directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer limited liability company;

(30) employment as a real estate salesperson, other than a corporate officer, if all the wages from the employment is solely by way of commission;

(31) employment as a direct seller as defined in United States Code, title 26, section 3508;

(32) employment of an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(33) casual employment performed for an individual, other than domestic employment under clause (17), that does not promote or advance that employer's trade or business;

(34) employment in "agricultural employment" unless it is "covered agricultural employment" under subdivision 11; ~~or~~

(35) if employment during one-half or more of any pay period was covered employment, all the employment for the pay period is covered employment; but if during more than one-half of any pay period the employment was noncovered employment, then all of the employment for the pay period is noncovered employment. "Pay period" means a period of not more than a calendar month for which a payment or compensation is ordinarily made to the employee by the employer; or

(36) employment of a foreign agricultural worker who works on a seasonal or temporary basis under the H-2A visa temporary agricultural employment program described in Code of Federal Regulations, title 20, part 655.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

**Sec. 9. CHANGE STARTS WITH COMMUNITY VIOLENCE PREVENTION PROGRAM.**

**Subdivision 1. Objectives.** Change Starts With Community must:

(1) develop and implement year-round job training programs for at-risk youth and adults and provide trusted adult mentorship for at-risk BIPOC youth, providing them with the skills needed for gainful employment and career opportunities; and

(2) create on-site job opportunities at Shiloh Cares Food Shelf, promoting community engagement and economic development.

**Subd. 2. Partnerships.** (a) Change Starts With Community must partner with the Cargill Foundation to support at-risk youth educational career field trips and mental health check-ins, exposing participants to multiple career paths and preventing further trauma through mental health check-ins for youth.

(b) Change Starts With Community must partner with Hennepin County juvenile corrections and the Minneapolis Police Department to receive referrals for at-risk youth who would benefit from enrollment in the program to prevent risky behaviors and community violence.

Subd. 3. **At-risk youth and adult job program positions.** Change Starts With Community must use grant proceeds to add positions to the program's complement, including but not limited to youth mentorships, food service workers, an executive director, director, and program director.

Subd. 4. **Report.** Change Starts With Community must report to the commissioner of employment and economic development, outlining the utilization of grant money, program outcomes, and the impact on the targeted population. The report must be submitted no later than six months after the end of fiscal year 2025.

Sec. 10. **CENTER FOR NURSING EQUITY AND EXCELLENCE.**

Subdivision 1. **Establishment.** The Center for Nursing Equity and Excellence is established within the University of Minnesota, in collaboration with Minnesota State Colleges and Universities, to address nursing workforce needs, including issues of health equity, recruitment, retention, and utilization of nursing workforce resources that are within the current scope of the practice of nurses.

Subd. 2. **Duties.** The center shall:

(1) develop a strategic statewide plan for nursing workforce supply based on a detailed analysis of workforce needs by conducting a statistically valid biennial data-driven gap analysis of the supply and demand of the health care workforce. The center shall:

(i) establish and maintain a database on nursing supply and demand in the state, including current supply and demand; and

(ii) analyze the current and future supply and demand in the state;

(2) establish and maintain a database on nursing workforce needs, including current data and future projections;

(3) develop recommendations to increase nurse faculty and clinical preceptors, support nurse faculty development, and promote advanced nurse education;

(4) develop best practices in the academic preparation and continuing education needs of qualified nurse educators, nurse faculty, and clinical preceptors;

(5) collect data on nurse faculty, employment, distribution, and retention;

(6) pilot innovative projects to support the recruitment, development, and retention of qualified nurse faculty and clinical preceptors;

(7) encourage and coordinate the development of academic practice partnerships, including partnerships with hospitals that provide opportunities for nursing students to obtain clinical experience to support nurse faculty employment and advancement;

(8) develop distance learning infrastructure for advancing faculty competencies in the pedagogy of teaching and the evidence-based use of technology, simulation, and distance learning techniques;

(9) enhance and promote recognition, reward, and renewal activities for nurses in the state by:

(i) promoting nursing excellence programs such as magnet recognition by the American Nurses Credentialing Center;

(ii) proposing and creating additional reward, recognition, and renewal activities for nurses; and

(iii) promoting media and positive image-building efforts for nursing; and

(10) routinely convene various groups representative of nurses, health care professionals, business and industry consumers, lawmakers, and educators to:

(i) review and comment on data analysis prepared for the center;

(ii) recommend systemic changes, including strategies for implementation of recommended changes; and

(iii) evaluate and report the results of these efforts to the legislature and other entities.

Subd. 3. **Report.** Beginning in 2025, by no later than January 15 of each year, the center shall submit a report to the governor and the chairs and ranking minority members of the legislative committees having jurisdiction over higher education, health care, and workforce development, providing details of the center's activities during the preceding calendar year in pursuit of its goals and in the execution of its duties.

**Sec. 11. SHAKOPEE AREA WORKFORCE DEVELOPMENT SCHOLARSHIPS PILOT.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Employer-sponsored applicant" means a student applicant with a local employer scholarship equal to or greater than 25 percent of the workforce development scholarship.

(c) "Local employer" means an employer with a physical location in a county within the service area of the foundation as listed in paragraph (d).

(d) "Shakopee Chamber Foundation" or "foundation" means a nonprofit organization which provides workforce and charitable services to Scott County as well as the Shakopee Mdewakanton Sioux Community.

Subd. 2. **Grants and administration.** (a) The commissioner of employment and economic development must award appropriated grant funds to the foundation to administer the Shakopee area workforce development scholarship pilot program. The foundation may use up to ten percent of grant funds for administrative costs.

(b) The foundation and participating college or university from the Minnesota State Colleges and Universities System must establish an application process and other guidelines for implementing this program.

Subd. 3. **Scholarship recipient requirements.** (a) To be eligible for a scholarship from the foundation, a student must:

(1) be enrolling or enrolled at least half-time in a program at a college or university from the Minnesota State Colleges and Universities System approved by the Dakota-Scott Workforce Development Board under subdivision 4; and

(2) complete the Free Application for Federal Student Aid (FAFSA), if applicable to the program for which they are enrolling or enrolled.

(b) A recipient of a scholarship awarded under this section must:

(1) adhere to any applicable participating local employer program requirements; and

(2) sign a contract agreeing to fulfill the employment obligation under paragraph (c).

(c) A scholarship recipient must make a good faith effort to attain a full-time employment commitment within the service area of the foundation as listed in subdivision 1, paragraph (d). The employment may be with the local employer sponsoring the student or any qualified local employer in a high-demand occupation as defined by the Dakota-Scott Workforce Development Board.

Subd. 4. **Program eligibility.** (a) The Dakota-Scott Workforce Development Board must annually identify eligible undergraduate degree, diploma, or certificate or industry-recognized credential programs in advanced manufacturing, health care, law enforcement, hospitality, or other high-demand occupations. The Dakota-Scott Workforce Development Board must consider data based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in the region is higher than the state average vacancy rate for that same occupation.

(b) By December 1, 2024, and annually through December 1, 2029, the Dakota-Scott Workforce Development Board must provide a list of eligible programs administered by each Minnesota state college and university that are eligible for scholarships in the subsequent year.

Subd. 5. **Employer partnerships.** The foundation and Minnesota State Colleges and Universities must establish partnerships with qualified local employers to ensure that 25 percent of the Shakopee area workforce development scholarship is matched with employer or foundation funds.

Subd. 6. **Scholarship awards.** (a) The foundation must coordinate available funds and award scholarships to Minnesota state colleges and universities with programs approved by the Dakota-Scott Workforce Development Board. Scholarships must be coordinated by the individual colleges approved by the Dakota-Scott Workforce Development Board and applied only after all other available tuition waivers and grant and scholarship funding through a last dollar in model. Scholarships are intended to supplement all other tuition waivers and grant and scholarship opportunities and to cover the full cost of attendance to the eligible students.

(b) If the appropriated grant is insufficient to award scholarships to all eligible applicants, priority must first be given to applicants that are program continuing applicants. Priority must then be given to employer-sponsored applicants.

Subd. 7. **Renewal; cap.** A student who has been awarded a scholarship may apply in subsequent academic years until the student completes a qualifying program. A student who successfully completes an eligible program and the subsequent work period requirement is eligible for a scholarship for a second program, but total lifetime awards must not exceed scholarships for two programs.

Subd. 8. **Report required.** The foundation must submit an annual report by December 31 of each year regarding the scholarship program to the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy. The first report is due no later than December 31, 2025. The annual report must describe the following:

(1) the number of students receiving a scholarship at each participating college during the previous calendar year;

(2) the number of scholarships awarded for each program and definition of type of program during the previous calendar year;

(3) the number of scholarship recipients who completed a program of study or certification;

(4) the number of scholarship recipients who secured employment by their graduation date and those who secured employment within three months of their graduation date;

(5) a list of the colleges that received funding, the amount of funding each institution received, and whether all withheld funds were distributed;

(6) a list of occupations scholarship recipients are entering;

(7) the number of students who were denied a scholarship;

(8) a list of participating local employers and amounts of any applicable employer contributions; and

(9) a list of recommendations to the legislature regarding potential program improvements.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 12. **BROOKLYN PARK BIOTECH INNOVATION DISTRICT.**

**Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Authority" means the Brooklyn Park Economic Development Authority.

(c) "Biotech innovation district" means a geographic area in the city identified in the development plan.

(d) "City" means the city of Brooklyn Park.

(e) "Development plan" means the plan adopted under subdivision 2.

(f) "Project" means a project to implement the development plan.

(g) "Public infrastructure project" means a project financed at least partially with public money to:

(1) acquire or remediate real property, including site improvement;

(2) demolish, repair, or rehabilitate buildings;

(3) install, construct, or reconstruct public infrastructure necessary for the biotech innovation district;

(4) acquire, construct, reconstruct, develop, or equip parking facilities and other transit-related facilities; and

(5) acquire, install, construct, reconstruct, develop, or equip recreational, social, cultural, or tourism facilities.

**Subd. 2. Development plan.** (a) The authority must prepare a plan for the development of a biotech innovation district within the city. At least 60 days prior to a hearing on adopting the proposed development plan, the economic development authority must provide copies of the proposed development plan to the city, which the city must make available to the public in its offices and on the city's website. At least ten days before the hearing, the authority must publish notice of the hearing in a newspaper selected by the city for publication of the notice. At the hearing, the authority may only adopt the plan if it finds that:

(1) the plan provides an outline for the development of the city as a site of biotech innovation;

(2) the plan identifies the location of the proposed biotech innovation district;

(3) the plan is sufficiently complete, including the identification of planned and anticipated projects, to indicate its relationship to definite state and local objectives;

(4) the proposed development affords maximum opportunity, consistent with the needs of the city, county, and state, for the development of the city by private enterprise as a biotech innovation district;

(5) the plan conforms to the general plan for the development of the city; and

(6) the plan includes:

(i) strategic planning consistent with a biotech innovation district;

(ii) a framework to identify and prioritize short- and long-term public investment and public infrastructure project development and to facilitate private investment and development;

(iii) land use planning;

(iv) multimodal transportation planning;

(v) goals, objectives, and strategies to increase racial equity and to create community wealth for city residents, local businesses, and businesses owned by women and people of color, guided by the city's racial equity principles; and

(vi) ongoing market research plans.

(b) In identifying planned and anticipated projects under paragraph (a), clause (2), the authority must prioritize projects that will pay a wage covering the cost of living for Hennepin County, calculated using the most recent report completed pursuant to Minnesota Statutes, section 116J.013.

(c) The city must adopt the development plan within 60 days following its adoption by the authority and may incorporate the development plan into the city's comprehensive plan. Minnesota Statutes, section 15.99, does not apply to review and approval of the development plan.

(d) The authority may modify the development plan at any time and must modify the plan at least once every five years. To modify the development plan, the authority must follow the same procedures set out in paragraph (a) for the development plan.

(e) When preparing the proposed development plan, the authority must seek input from the community and other partners such as biotech trade associations, the City of Brooklyn Park Planning Commission, the City of Brooklyn Park Community Long-Range Improvement Committee, skilled trades, and other regional partners.

**Subd. 3. Special powers; requirements; limitations.** (a) In implementing the development plan, the city may exercise the powers of a port authority under Minnesota Statutes, sections 469.048 to 469.068.

(b) The city must provide financial and administrative support to the authority and may appropriate city funds to the authority for its work in developing and implementing the development plan.

(c) The city may issue general obligation bonds, revenue bonds, or other obligations to finance the development and implementation of the development project. Debt undertaken pursuant to this paragraph is not subject to the net debt limit in Minnesota Statutes, section 475.53. Approval of the electors is not necessary to issue bonds or other

obligations under this paragraph. The city may pledge any of its revenues, including property taxes and state aid issued pursuant to Minnesota Statutes, section 469.47, to the obligations issued pursuant to this paragraph. The city must not issue obligations that are only payable from or secured by state aid issued pursuant to Minnesota Statutes, section 469.47.

(d) Notwithstanding Minnesota Statutes, section 469.068, the city and its authority need not require competitive bidding on a parking facility or other public improvement constructed to implement the development plan.

(e) Except as otherwise specified, all activities to develop and implement the development plan must comply with applicable state law and regulations and city ordinances, zoning, and planning requirements.

Subd. 4. **Report.** Beginning in 2025, by February 15 of each year, the city and authority must submit a joint report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over jobs and economic development. The report must include:

(1) the development plan and any proposed changes to the development plan;

(2) information on the progress of projects identified in the development plan;

(3) costs and financing sources for the costs, including the amount paid with state aid and local contributions of projects completed in the previous two years;

(4) estimated costs and financing sources for projects anticipated to start in the next two years; and

(5) debt service schedules for all outstanding obligations of the city and authority for debt issued for projects identified in the plan.

**Sec. 13. REVISOR INSTRUCTION.**

The revisor of statutes shall codify Laws 2023, chapter 53, article 21, section 6, paragraph (d), as Minnesota Statutes, section 116J.8752, subdivision 4a. The revisor may make any technical, grammatical, or cross-reference changes necessary to effectuate this recodification.

**Sec. 14. REPEALER.**

Minnesota Statutes 2022, section 116J.439, is repealed.

ARTICLE 3  
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 155A.27, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) Qualifications for licensing in each classification shall be determined by the board and established by rule, and shall include educational and experiential prerequisites.

(b) A person applying for an individual license to practice as a cosmetologist, hair technician, manager, or instructor must: (1) successfully complete training on the properties of the hair and all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; and (2) have experience providing services to individuals with hair of all types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair.



(c) The rules shall require a demonstrated knowledge of procedures necessary to protect the health and safety of the practitioner and the consumer of cosmetology services, including but not limited to infection control, use of implements, apparatuses and other appliances, and the use of chemicals.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2023 Supplement, section 155A.2705, subdivision 3, is amended to read:

Subd. 3. **Training.** Hair technician training must be completed at a Minnesota-licensed cosmetology school. The training must consist of 900 hours of coursework and planned clinical instruction and experience that includes:

(1) the first 300 hours of the hair technology course that includes:

(i) student orientation;

(ii) preclinical instruction in the theory of sciences, including:

(A) muscle and bone structure and function;

(B) properties of the hair, a study of all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair, and scalp;

(C) disorders and diseases of the hair and scalp;

(D) chemistry as related to hair technology; and

(E) electricity and light related to the practice of hair technology;

(iii) theory and preclinical instruction on client and service safety prior to students offering services;

(iv) introductory service skills that are limited to the observation of an instructor demonstration, student use of mannequins, or student-to-student application of basic services related to hair technology;

(v) Minnesota statutes and rules pertaining to the regulation of hair technology;

(vi) health and safety instruction that includes:

(A) chemical safety;

(B) safety data sheets;

(C) personal protective equipment (PPE);

(D) hazardous substances; and

(E) laws and regulations related to health and public safety; and

(vii) infection control to protect the health and safety of the public and technician that includes:

(A) disinfectants;

- (B) disinfectant procedures;
- (C) cleaning and disinfection;
- (D) single use items;
- (E) storage of tools, implements, and linens; and
- (F) other implements and equipment used in salons and schools;

(2) 300 hours in hair cutting and styling that includes hair and scalp analysis; providing services to individuals who have all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; cleaning; scalp and hair conditioning; hair design and shaping; drying; arranging; curling; dressing; waving; and nonchemical straightening; and

(3) 300 hours in chemical hair services that includes hair and scalp analysis; providing services to individuals with all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; dying; bleaching; reactive chemicals; keratin; hair coloring; permanent straightening; permanent waving; predisposition and strand tests; safety precautions; chemical mixing; color formulation; and the use of dye removers.

**EFFECTIVE DATE.** This section is effective August 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 326.10, subdivision 8, is amended to read:

Subd. 8. **Expiration and renewal.** (a) All licenses and certificates, other than in-training certificates, issued by the board expire at midnight on June 30 of each even-numbered calendar year if not renewed. A holder of a license or certificate issued by the board may renew it by completing and filing with the board an application for renewal consisting of a fully completed form provided by the board and the fee specified in section 326.105. Both the fee and the application must be submitted at the same time and by June 30 of each even-numbered calendar year. The form must be signed by the applicant, contain all of the information requested, and clearly show that the licensee or certificate holder has completed the minimum number of required professional development hours or has been granted an exemption under section 326.107, subdivision 4. An application for renewal that does not comply with the requirements of this subdivision is an incomplete application and must not be accepted by the board.

(b) No later than 30 days before the expiration of a license or certificate, the board must send the holder of the license or certificate a notice by email that the license or certificate is about to expire. The notice must include information on the process and requirements for renewal. The application form for a new or renewed license or certificate issued by the board must request that the applicant provide an email address for the purpose of providing this notice. If the board does not have a record of a license or certificate holder's email address, the board must send the notice to the holder by standard mail.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to licenses and renewals scheduled to expire on or after that date.

ARTICLE 4  
STATE DISLOCATED WORKER PROGRAM

Section 1. Minnesota Statutes 2023 Supplement, section 116L.17, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them in this subdivision.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(5) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job verified to be below the skill level and earning capacity of the veteran;

(6) is an individual determined by the United States Department of Labor to be covered by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331, as amended; ~~or~~

(7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and due to divorce, separation, death, or disability of that person, must now find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota;

(8) is the spouse of a member of the United States armed forces who is on active duty and who meets at least one of the following: (i) has lost employment as a direct result of relocation to accommodate a permanent change in the service member's duty station; or (ii) is unemployed or underemployed and facing barriers to obtaining or upgrading employment;

(9) is an individual with non-work-related injuries or illnesses who does not have a workers' compensation case but needs support to reenter or remain in the workforce; or

(10) is an adult with a low income, is a recipient of public assistance, or is deficient in basic skills.

For the purposes of this section, "dislocated worker" does not include an individual who was an employee, at the time employment ceased, of a political committee, political fund, principal campaign committee, or party unit, as those terms are used in chapter 10A, or an organization required to file with the federal elections commission.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 2. **REPEALER.**

Minnesota Statutes 2022, section 116L.17, subdivision 5, is repealed.

ARTICLE 5  
JOB CREATION FUND

Section 1. Minnesota Statutes 2022, section 116J.8731, subdivision 10, is amended to read:

Subd. 10. **Transfer.** The commissioner may transfer up to ~~\$2,000,000~~ \$5,000,000 of a fiscal year's appropriation between the Minnesota job creation fund program and Minnesota investment fund to meet business demand.

Sec. 2. Minnesota Statutes 2022, section 116J.8748, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include, but is not limited to: specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of capital investment and employment goals. The local government and business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees under paragraphs (g) and (h) are or will be employed and also includes construction materials, services, and supplies, and the purchase and installation of equipment and machinery as provided under subdivision 4, paragraph (b), clause (5).

(e) "Commissioner" means the commissioner of employment and economic development.

(f) "Minnesota job creation fund business" means a business that is designated by the commissioner under subdivision 3.

(g) "Minority person" means a person belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

(h) "New full-time equivalent employee" means an employee who:

(1) begins work at a Minnesota job creation fund business facility noted in a business subsidy agreement and following the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.

(i) "Persons with disabilities" means an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

(j) "Retained job equivalent" means a full-time equivalent position:

(1) that existed at the facility prior to the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.

(k) "Veteran" means a veteran as defined in section 197.447.

(l) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

Sec. 3. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 3, is amended to read:

Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To receive designation as a Minnesota job creation fund business, a business must satisfy all of the following conditions:

(1) the business is or will be engaged in, within Minnesota, one of the following as its primary business activity:

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

(2) the business must not be primarily engaged in lobbying; gambling; entertainment; professional sports; political consulting; leisure; hospitality; or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, or primarily engaged in making retail sales to purchasers who are physically present at the business's location;

(3) the business must enter into a binding construction and job creation business subsidy agreement with the commissioner to expend directly, or ensure expenditure by or in partnership with a third party constructing or managing the project, at least \$500,000 in capital investment in a capital investment project that includes a new,

expanded, or remodeled facility within one year following designation as a Minnesota job creation fund business or \$250,000 if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; and:

(i) create at least ten new full-time equivalent employee positions within two years of the benefit date following the designation as a Minnesota job creation fund business or five new full-time equivalent employee positions within two years of the benefit date if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; or

(ii) expend at least \$25,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 100 full-time equivalent employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, or expend at least \$10,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 50 full-time equivalent employees for projects located outside the metropolitan area;

(4) positions or employees moved or relocated from another Minnesota location of the Minnesota job creation fund business must not be included in any calculation or determination of job creation or new positions under this paragraph; and

(5) a Minnesota job creation fund business must not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual to satisfy job creation goals under this subdivision.

(b) Prior to approving the proposed designation of a business under this subdivision, the commissioner shall consider the following:

(1) the economic outlook of the industry in which the business engages;

(2) the projected sales of the business that will be generated from outside the state of Minnesota;

(3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;

(4) whether the business activity would occur without financial assistance;

(5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;

(6) whether the business has viable location options outside Minnesota;

(7) the effect of financial assistance on industry competitors in Minnesota;

(8) financial contributions to the project made by local governments; and

(9) any other criteria the commissioner deems necessary.

(c) Upon receiving notification of local approval under subdivision 2, the commissioner shall review the determination by the local government and consider the conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local area to designate a business as a Minnesota job creation fund business.

(d) If the commissioner designates a business as a Minnesota job creation fund business, the business subsidy agreement shall include the performance outcome commitments and the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

Sec. 4. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 4, is amended to read:

Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and capital investment goals noted in its agreement under subdivision 3.

(b) A qualified Minnesota job creation fund business may be certified eligible for the benefits in this paragraph for up to five years for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and seven years for projects located outside the metropolitan area, as determined by the commissioner when considering the best interests of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a), clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located outside the metropolitan area may be for up to seven years in length. The eligibility for the following benefits begins the date the commissioner certifies the business as a qualified Minnesota job creation fund business under this subdivision:

(1) up to five percent rebate for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan area, on capital investment on qualifying purchases as provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

(2) an award of up to \$500,000 based on full-time job creation and wages paid as provided in subdivision 6 with the total award not to exceed \$500,000;

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment and 100 new full-time equivalent employees in the metropolitan area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment and 50 new full-time equivalent employees for projects located outside the metropolitan area;

(4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 100 retained full-time equivalent employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 50 retained full-time equivalent employees for projects located outside the metropolitan area; and

(5) for clauses (3) and (4) only, the capital investment expenditure requirements may include the installation and purchases of machinery and equipment. These expenditures are not eligible for the capital investment rebate provided under subdivision 5.

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4). Under paragraph (b),

clause (4), a job creation award of \$2,000 per full-time equivalent job retained ~~job~~ may be provided one time if the qualified Minnesota job creation fund business meets the minimum capital investment and retained employee requirement as provided in paragraph (b), clause (4), for at least two years.

(d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least \$500,000 in capital investment in the project and at least ten full-time equivalent jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

(e) The forms needed to be submitted to document performance by the Minnesota job creation fund business must be in the form and be made under the procedures specified by the commissioner. The forms shall include documentation and certification by the business that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66, and other provisions as specified by the commissioner.

(f) Minnesota job creation fund businesses must pay each new full-time equivalent employee added pursuant to the agreement total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

(g) A Minnesota job creation fund business must demonstrate reasonable progress on capital investment expenditures within six months following designation as a Minnesota job creation fund business to ensure that the capital investment goal in the agreement under subdivision 1 will be met. Businesses not making reasonable progress will not be eligible for benefits under the submitted application and will need to work with the local government unit to resubmit a new application and request to be a Minnesota job creation fund business. Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not be considered a default of the business subsidy agreement.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 6, is amended to read:

Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new full-time equivalent job created and maintained under subdivision 4, paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than \$45,000; \$3,000 for each job position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position paying at least \$55,000; and as noted in the goals under the agreement provided under subdivision 1. These awards are increased by \$1,000 if the business is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability.

(b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000 award for each full-time equivalent job retained and maintained under subdivision 4, paragraph (b), clause (4), provided that each retained job pays total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 150 percent of the federal poverty level for a family of four.

(c) The job creation award schedule must be adjusted annually using the percentage increase in the federal poverty level for a family of four.

(d) Minnesota job creation fund businesses seeking an award credit provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner.



ARTICLE 6  
INNOVATIVE BUSINESS DEVELOPMENT PUBLIC  
INFRASTRUCTURE GRANT PROGRAM

Section 1. Minnesota Statutes 2022, section 116J.435, subdivision 3, is amended to read:

Subd. 3. **Grant program established.** (a) The commissioner shall make ~~competitive~~ grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, ~~including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, and to~~ construct, furnish, and equip public infrastructure required to support an eligible project. The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources. ~~The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.~~

(b) The amount of a grant may not exceed ~~the lesser of the cost of the public infrastructure or~~ 50 percent of the sum of the cost of the public infrastructure ~~plus the cost of the completed eligible project.~~

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new innovative businesses and organizations.

Sec. 2. Minnesota Statutes 2022, section 116J.435, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local governmental unit must include ~~the following information~~ in its application a resolution certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure project is available and committed. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) ~~a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure is available and committed~~ the project is an eligible project as defined under subdivision 2;

(2) ~~a detailed estimate, along with necessary supporting evidence, of the total development costs for the public infrastructure and eligible project~~ the project is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;

(3) ~~an assessment of the potential or likely use of the site for innovative business activities after completion of the public infrastructure and eligible project~~ the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) ~~a timeline indicating the major milestones of the public infrastructure and eligible project and their anticipated completion dates;~~ the project is expected to create or retain full-time jobs.

(5) ~~a commitment from the governing body to repay the grant if the milestones are not realized by the completion date identified in clause (4); and~~

(6) ~~any additional information or material the commissioner prescribes.~~

(b) The determination of whether to make a grant ~~under subdivision 3~~ for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the ~~priorities~~ criteria are not subject to judicial review, except for abuse of discretion.

Sec. 3. **REPEALER.**

Minnesota Statutes 2022, section 116J.435, subdivision 5, is repealed.

ARTICLE 7  
ENERGY TRANSITION ADVISORY COMMITTEE

Section 1. Minnesota Statutes 2022, section 116J.5492, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The advisory committee consists of ~~48~~ 19 voting members and eight ex officio nonvoting members.

(b) The voting members of the advisory committee are appointed by the commissioner of employment and economic development, except as specified below:

(1) two members of the senate, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate;

(2) two members of the house of representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives;

(3) one representative of the Prairie Island Indian community;

(4) four representatives of impacted communities, of which two must represent counties and two must represent municipalities, and, to the extent possible, of the impacted facilities in those communities, at least one must be a coal plant, at least one must be a nuclear plant, and at least one must be a natural gas plant;

(5) three representatives of impacted workers at impacted facilities;

(6) one representative of impacted workers employed by companies that, under contract, regularly perform construction, maintenance, or repair work at an impacted facility;

(7) one representative with professional economic development or workforce retraining experience;

(8) two representatives of utilities that operate an impacted facility;

(9) one representative from a nonprofit organization with expertise and experience delivering energy efficiency and conservation programs; ~~and~~

(10) one representative of a school district facing revenue loss due to energy transition; and

~~(10)~~ (11) one representative from the Coalition of Utility Cities.

(c) The ex officio nonvoting members of the advisory committee consist of:

(1) the governor or the governor's designee;

- (2) the commissioner of employment and economic development or the commissioner's designee;
- (3) the commissioner of commerce or the commissioner's designee;
- (4) the commissioner of labor and industry or the commissioner's designee;
- (5) the commissioner of revenue or the commissioner's designee;
- (6) the executive secretary of the Public Utilities Commission or the secretary's designee;
- (7) the commissioner of the Pollution Control Agency or the commissioner's designee; and
- (8) the chancellor of the Minnesota State Colleges and Universities or the chancellor's designee.

#### ARTICLE 8 TECHNICAL CHANGES

Section 1. Laws 2023, chapter 53, article 15, section 32, subdivision 6, is amended to read:

Subd. 6. **Administrative costs.** The commissioner of employment and economic development may use up to one percent of the appropriation made for this section for administrative expenses of the department. The Northland Foundation may use up to five percent of the appropriation made for this section for administrative expenses.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

#### ARTICLE 9 SMALL BUSINESS PROGRAM MODIFICATIONS

Section 1. Minnesota Statutes 2023 Supplement, section 116J.682, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Partner organizations" or "partners" means:

(1) nonprofit organizations or public entities, including higher education institutions, engaged in business development or economic development;

(2) community development financial institutions; ~~or~~

(3) community development corporations; and

(4) Tribal economic development entities.

(d) "Small business" has the meaning given in section 3 of the Small Business Act, United States Code, title 15, section 632.

(e) "Underserved populations and geographies" means individuals who are Black, Indigenous, people of color, veterans, people with disabilities, people who are LGBTQ+, and low-income individuals and includes people from rural Minnesota.

Sec. 2. Minnesota Statutes 2023 Supplement, section 116J.682, subdivision 3, is amended to read:

Subd. 3. **Small business assistance partnerships grants.** (a) The commissioner shall make small business assistance partnerships grants to local and regional community-based organizations to provide small business development and technical assistance services to entrepreneurs and small business owners. The commissioner must prioritize applications that provide services to underserved populations and geographies.

(b) Grantees shall use the grant funds to provide high-quality, free ~~or low-cost~~ professional business development and technical assistance services that support the start-up, growth, and success of Minnesota's entrepreneurs and small business owners.

(c) Grantees may use up to 15 percent of grant funds for expenses incurred while administering the grant, including but not limited to expenses related to technology, utilities, legal services, training, accounting, insurance, financial management, benefits, reporting, servicing of loans, and audits.

Sec. 3. Minnesota Statutes 2023 Supplement, section 116J.8733, is amended to read:

**116J.8733 MINNESOTA EXPANDING OPPORTUNITY FUND PROGRAM.**

Subdivision 1. **Establishment.** The Minnesota Expanding Opportunity Fund Program is established to capitalize Minnesota nonprofit corporations, Tribal economic development entities, and community development financial institutions to increase lending activities with Minnesota small businesses.

Subd. 2. **Long-term loans.** The department may make long-term loans of ten to 12 years at 0.5 percent or lower interest rates to nonprofit corporations, Tribal economic development entities, and community development financial institutions to enable nonprofit corporations, Tribal economic development entities, and community development financial institutions to make more loans to Minnesota small businesses. The department may use the interest received to offset the cost of administering small business lending programs.

Subd. 3. **Loan eligibility; ~~nonprofit corporation.~~** (a) The eligible nonprofit corporation, Tribal economic development entity, or community development financial institution must not meet the definition of recipient under section 116J.993, subdivision 6.

(b) The commissioner may enter into loan agreements with Minnesota nonprofit corporations, Tribal economic development entities, and community development financial institutions that apply to participate in the Minnesota Expanding Opportunity Fund Program. The commissioner shall evaluate applications from applicant nonprofit corporations, Tribal economic development entities, and community development financial institutions. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation, Tribal economic development entity, or community development financial institution:

(1) meets the statutory definition of a community development financial institution as defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994, United States Code, title 12, section 4702;

(2) has a board of directors or loan or credit committee that includes citizens experienced in small business services and community development;

(3) has the technical skills to analyze small business loan requests;

(4) is familiar with other available public and private funding sources and economic development programs;

(5) is enrolled in one or more eligible federally funded state programs; and

(6) has the administrative capacity to manage a loan portfolio.

Subd. 4. **Revolving loan fund.** (a) The commissioner shall establish a revolving loan fund to make loans to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of increasing nonprofit corporation, Tribal economic development entity, and community development financial institution capital and lending activities with Minnesota small businesses.

(b) Nonprofit corporations, Tribal economic development entities, and community development financial institutions that receive loans from the commissioner under the program must establish appropriate accounting practices for the purpose of tracking eligible loans.

Subd. 5. **Loan portfolio administration.** (a) The fee or interest rate charged by a nonprofit corporation, Tribal economic development entity, or community development financial institution for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus two percent, with a maximum of ten percent. A nonprofit corporation, Tribal economic development entity, or community development financial institution participating in the Minnesota Expanding Opportunity Fund Program may charge a loan closing fee equal to or less than two percent of the loan value.

(b) The nonprofit corporation, Tribal economic development entity, or community development financial institution may retain all earnings from fees and interest from loans to small businesses.

(c) The department must provide the nonprofit corporation, Tribal economic development entity, or community development financial institution making the loan with a fee equal to one percent of the loan value for every loan closed to offset related expenses for loan processing, loan servicing, legal filings, and reporting.

Subd. 6. **Cooperation.** A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan shall cooperate with other organizations, including but not limited to community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 7. **Reporting requirements.** (a) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan must submit an annual report to the commissioner by February 15 of each year that includes:

- (1) the number of businesses to which a loan was made;
- (2) a description of businesses supported by the program;
- (3) demographic information, as specified by the commissioner, regarding each borrower;
- (4) an account of loans made during the calendar year;
- (5) the program's impact on job creation and retention;
- (6) the source and amount of money collected and distributed by the program;
- (7) the program's assets and liabilities; and
- (8) an explanation of administrative expenses.

(b) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan must provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Sec. 4. Minnesota Statutes 2022, section 116M.18, is amended to read:

**116M.18 MINNESOTA EMERGING ENTREPRENEUR PROGRAM.**

Subdivision 1. **Establishment.** The Minnesota emerging entrepreneur program is established to award grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities.

Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall be made so that an approximately equal dollar amount of loans are made to businesses in the metropolitan area as in the nonmetropolitan area. After March 31 of each fiscal year, the department may allow loans to be made anywhere in the state without regard to geographic area.

Subd. 1b. **Grants.** The department shall make grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities to encourage private investment, to provide jobs for minority and low-income persons, to create and strengthen minority business enterprises, and to promote economic development in a low-income area.

Subd. 2. **Grant eligibility; ~~nonprofit corporation~~.** (a) The department may enter into agreements with nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans the nonprofit corporation, Tribal economic development entity, or community development financial institution makes to businesses owned by minority or low-income persons, women, veterans, or people with disabilities. The department shall evaluate applications from nonprofit corporations, Tribal economic development entities, and community development financial institutions. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation, Tribal economic development entity, or community development financial institution:

(1) has a board of directors that includes citizens experienced in business and community development, minority business enterprises, addressing racial income disparities, and creating jobs for low-income and minority persons;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account or has operated a revolving loan account;

(6) can work with job referral networks which assist minority and low-income persons; and

(7) has established relationships with minority communities.

(b) The department shall review existing agreements with nonprofit corporations, Tribal economic development entities, and community development financial institutions every five years and may renew or terminate the agreement based on the review. In making its review, the department shall consider, among other criteria, the criteria in paragraph (a).

Subd. 3. **Revolving loan fund.** (a) The department shall establish a revolving loan fund to make grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of making loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities, and to support minority business enterprises and job creation for minority and low-income persons.

(b) Nonprofit corporations, Tribal economic development entities, and community development financial institutions that receive grants from the department under the program must establish a commissioner-certified revolving loan fund for the purpose of making eligible loans.

(c) Eligible business enterprises include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries.

(d) Loan applications given preliminary approval by the nonprofit corporation, Tribal economic development entity, or community development financial institution must be forwarded to the department ~~for approval~~. ~~The commissioner must give final approval for each loan made by the nonprofit corporation.~~ Nonprofit corporations, Tribal economic development entities, and community development financial institutions designated as preferred partners do not need final approval by the commissioner. All other loans must be approved by the commissioner and the commissioner must make approval decisions within 20 days of receiving a loan application unless the application contains insufficient information to make an approval decision. The amount of the state funds contributed to any loan may not exceed 50 percent of each loan. The commissioner must develop the criteria necessary to receive loan forgiveness.

Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations, Tribal economic development entities, and community development financial institutions under the program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the program.

(c) A loan must be used to support a business owned by a minority or a low-income person, woman, veteran, or a person with disabilities. Priority must be given for loans to the lowest income areas.

(d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

(e) The state contribution must be matched by at least an equal amount of new private investment.

(f) A loan may not be used for a retail development project.

(g) The business must agree to work with job referral networks that focus on minority and low-income applicants.

(h) Up to ten percent of a loan's principal amount may be forgiven if ~~the department approves and~~ the borrower has met lender and agency criteria, including being current with all payments, for at least two years. The commissioner must develop the criteria for receiving loan forgiveness.

Subd. 4a. **Microenterprise loan.** (a) Program grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

(1) they may also be made to qualified retail businesses;

(2) they may be made for a minimum of \$5,000 and a maximum of ~~\$35,000~~ \$40,000;

(3) in a low-income area, they may be made for a minimum of \$5,000 and a maximum of ~~\$50,000~~ \$55,000; and

(4) they do not require a match.

(b) Up to ten percent of a loan's principal amount may be forgiven if ~~the department approves and~~ the borrower has met ~~lender~~ criteria developed by the lender and the commissioner, including being current with all payments, for at least two years.

Subd. 5. **Revolving fund administration.** (a) The department shall establish a minimum interest rate or fee for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation, Tribal economic development entity, or community development financial institution for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus ~~four~~ two percent, with a maximum rate of ten percent. For a loan under this subdivision, the nonprofit corporation, Tribal economic development entity, or community development financial institution may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation, Tribal economic development entity, or community development financial institution may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the department for deposit in the revolving loan fund. Loan interest payments must be deposited in a revolving loan fund created by the nonprofit corporation, Tribal economic development entity, or community development financial institution originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations, Tribal economic development entities, and community development financial institutions with whom the department enters into agreements, including expenses incurred by a nonprofit corporation, Tribal economic development entity, or community development financial institution in providing financial, technical, managerial, and marketing assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of the interest earned on loans and out of interest earned on money invested by the state Board of Investment under section 116M.16, subdivision 2, as may be provided by the department.

(d) The department must provide the nonprofit corporation, Tribal economic development entity, or community development financial institution making the loan with a fee equal to one percent of the loan value for every loan closed to offset related expenses for loan processing, loan servicing, legal filings, and reporting.

Subd. 7. **Cooperation.** A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program grant shall cooperate with other organizations, including but not limited to, community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 8. **Reporting requirements.** (a) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program grant shall:

(1) submit an annual report to the department by February 15 of each year that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and low-income persons, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the department.



(b) By March 1 of each year, the commissioner must provide a report compiling the information received from nonprofit corporations, Tribal economic development entities, and community development financial institutions under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce development. The report must also specify any nonprofit corporations, Tribal economic development entities, or community development financial institutions that failed to provide the information required under paragraph (a).

Subd. 9. **Small business emergency loan account.** The small business emergency loan account is created as an account in the special revenue fund.

Sec. 5. Laws 2023, chapter 53, article 15, section 33, subdivision 4, is amended to read:

Subd. 4. **Loans to community businesses.** (a) A partner organization that receives a grant under subdivision 3 shall establish a plan for making low-interest loans to community businesses. The plan requires approval by the commissioner.

(b) Under the plan:

(1) the state contribution to each loan shall be no less than \$50,000 and no more than \$500,000;

(2) loans shall be made for projects that are unlikely to be undertaken unless a loan is received under the program;

(3) priority shall be given to loans to businesses in the lowest income areas;

(4) the fee or interest rate on a loan shall not be higher than the Wall Street Journal prime rate plus two percent, with a maximum of ten percent;

(5) 50 percent of all repayments of principal on a loan under the program shall be used to fund additional related lending. The partner organization may retain the remainder of loan repayments to service loans and provide further technical assistance;

(6) the partner organization may charge a loan origination fee of no more than one percent of the loan value and may retain that origination fee; ~~and~~

(7) a partner organization may not make a loan to a project in which it has an ownership interest; and

(8) up to 15 percent of a loan's principal amount may be forgiven by the partner organization if the borrower has met all lending criteria developed by the partner organization and the commissioner, including creating or retaining jobs and being current with all loan payments, for at least two years.

Sec. 6. Laws 2023, chapter 53, article 15, section 33, subdivision 5, is amended to read:

Subd. 5. **Reports.** (a) The partner organization shall submit a report to the commissioner by ~~January~~ December 31 of 2024, 2025, and 2026. The report shall include:

(1) an account of all loans made through the program the preceding calendar year and the impact of those loans on community businesses and job creation for targeted groups;

(2) information on the source and amount of money collected and distributed under the program, its assets and liabilities, and an explanation of administrative expenses; and

(3) an independent audit of grant funds performed in accordance with generally accepted accounting practices and auditing standards.

(b) By February 15 of ~~2024~~, 2025, ~~and~~ 2026, and 2027, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce and economic development on program outcomes, including copies of all reports received under paragraph (a).

## ARTICLE 10 INDEPENDENT LIVING SERVICES

Section 1. Minnesota Statutes 2022, section 268A.11, is amended to read:

### **268A.11 INDEPENDENT LIVING SERVICES.**

Subdivision 1. **Purposes and services.** The purposes of independent living services and the services that are to be provided are those that are consistent with Code of Federal Regulations, title 34, ~~parts 365 to 367~~ 45, part 1329.

Subd. 2. **Administration.** This section shall be administered by the Department of Employment and Economic Development through the Vocational Rehabilitation Services Program. The department may employ staff as reasonably required to administer this section and may accept and receive funds from nonstate sources for the purpose of effectuating this section.

Subd. 3. **Certification.** No applicant Center for Independent Living may receive funding under this section unless it has received certification from the Vocational Rehabilitation Services Program.

The Vocational Rehabilitation Services Program shall review the programs of Centers for Independent Living receiving funds ~~from under~~ this section to determine ~~their adherence to compliance with the standards adopted by rule and if the standards are substantially met~~ defined in section 725(b) and assurances in section 725(c) of the Rehabilitation Act of 1973, and, if fulfilled, shall issue appropriate certifications.

Subd. 4. **Application of Centers for Independent Living.** The Vocational Rehabilitation Services Program shall require Centers for Independent Living to complete application forms, expenditure reports, and proposed plans and budgets. These reports must be in the manner and on the form prescribed by the Vocational Rehabilitation Services Program. When applying, the Center for Independent Living shall agree to provide reports and records, and make available records for audit as may be required by the Vocational Rehabilitation Services Program.

The applicant Center for Independent Living shall be notified in writing by the Vocational Rehabilitation Services Program concerning the approval of budgets and plans."

Delete the title and insert:

"A bill for an act relating to state government; making supplemental appropriations for jobs and economic development; making various policy and technical changes; modifying occupational licensing requirements; modifying programs managed by the Department of Employment and Economic Development; modifying vocational rehabilitation programs; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 116J.435, subdivisions 3, 4; 116J.5492, subdivision 2; 116J.8731, subdivision 10; 116J.8748, subdivision 1; 116M.18; 116U.26; 116U.27, subdivisions 5, 6; 155A.27, subdivision 2; 268.035, subdivision 20; 268A.11; 326.10, subdivision 8; Minnesota Statutes 2023 Supplement, sections 116J.682, subdivisions 1, 3; 116J.8733; 116J.8748, subdivisions 3, 4, 6; 116L.17, subdivision 1; 116L.43, subdivision 1;

116U.27, subdivisions 1, 4; 155A.2705, subdivision 3; Laws 2023, chapter 53, article 15, sections 32, subdivision 6; 33, subdivisions 4, 5; article 20, sections 2, subdivisions 1, 2, 3, 4, 6; 3; article 21, sections 6; 7; proposing coding for new law in Minnesota Statutes, chapter 116U; repealing Minnesota Statutes 2022, sections 116J.435, subdivision 5; 116J.439; 116L.17, subdivision 5."

We request the adoption of this report and repassage of the bill.

Senate Conferees: BOBBY JOE CHAMPION, ZAYNAB MOHAMED and HEATHER GUSTAFSON.

House Conferees: HODAN HASSAN, JAY XIONG and NATALIE ZELEZNIKAR.

Hassan moved that the report of the Conference Committee on S. F. No. 5289 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 5289, A bill for an act relating to economic development; making supplemental budget adjustments for the Department of Employment and Economic Development and Explore Minnesota; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 116U.26; 116U.27, subdivisions 5, 6; Minnesota Statutes 2023 Supplement, sections 116L.43, subdivision 1; 116U.27, subdivisions 1, 4; Laws 2023, chapter 53, article 20, section 2, subdivisions 1, 2, 3, 4, 6; article 21, sections 6; 7; Laws 2023, chapter 64, article 15, section 30; proposing coding for new law in Minnesota Statutes, chapter 116U; repealing Minnesota Statutes 2022, section 116J.439.

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 83 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hemmingsen-Jaeger	Kotzya-Witthuhn	Newton	Skraba
Agbaje	Edelson	Her	Kozlowski	Noor	Smith
Anderson, P. H.	Elkins	Hicks	Kraft	Norris	Stephenson
Bahner	Feist	Hill	Lee, F.	Olson, L.	Tabke
Baker	Finke	Hollins	Lee, K.	Pelowski	Urdahl
Becker-Finn	Fischer	Hornstein	Liebling	Pérez-Vega	Vang
Berg	Frazier	Howard	Lillie	Perryman	Virnig
Bierman	Frederick	Huot	Lislegard	Petersburg	Wiens
Brand	Freiberg	Hussein	Long	Pinto	Wolgamott
Carroll	Gomez	Igo	Moller	Pryor	Xiong
Cha	Greenman	Jordan	Mueller	Pursell	Youakim
Clardy	Hansen, R.	Keeler	Myers	Rehm	Zeleznikar
Coulter	Hanson, J.	Klevorn	Nadeau	Reyer	Spk. Hortman
Curran	Hassan	Koegel	Nelson, M.	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Bliss	Dotseth	Garofalo	Heintzeman	Joy
Backer	Burkel	Engen	Gillman	Hudson	Kiel
Bakeberg	Davis	Fogelman	Grossell	Jacob	Knudsen
Bennett	Demuth	Franson	Harder	Johnson	Koznick

Kresha	Murphy	Niska	Pfarr	Schomacker	Torkelson
Lawrence	Nash	Novotny	Quam	Schultz	Wiener
McDonald	Nelson, N.	O'Driscoll	Rarick	Scott	Witte
Mekeland	Neu Brindley	Olson, B.	Robbins	Swedzinski	

The bill was repassed, as amended by Conference, and its title agreed to.

### **MOTIONS AND RESOLUTIONS**

Norris moved that the name of Norris be stricken as an author on H. F. No. 173. The motion prevailed.

Lislegard moved that the name of Tabke be added as an author on H. F. No. 300. The motion prevailed.

Wolgammott moved that the name of Tabke be added as an author on H. F. No. 1727. The motion prevailed.

Hansen, R., moved that the names of Reyer; Virnig; Clardy; Hicks; Smith; Hill; Hanson, J., and Jordan be added as authors on H. F. No. 3911. The motion prevailed.

### **WRITTEN DEMAND PURSUANT TO RULE 4.31 FOR THE IMMEDIATE RETURN OF H. F. No. 4803**

Pursuant to rule 4.31, Olson, B., presented a written demand to the Speaker on Tuesday, May 7, 2024 for the immediate return to the House of H. F. No. 4803 from the Committee on State and Local Government Finance and Policy, be given its second reading and be placed on the General Register. The initial request was printed in the Journal of the House for Tuesday, May 7, 2024.

### **SECOND READING OF HOUSE BILLS**

H. F. No. 4803 was read for the second time.

### **ANNOUNCEMENT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION**

Pursuant to rules 1.21 and 1.22, the Committee on Rules and Legislative Administration specified Saturday, May 18, 2024, as the date after which the 5:00 p.m. deadlines no longer apply to the designation of bills to be placed on the Calendar for the Day and to the announcement of the intention to request that bills be considered by the House on the Fiscal Calendar.

### **ADJOURNMENT**

Long moved that when the House adjourns today it adjourn until 9:00 a.m., Sunday, May 19, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Sunday, May 19, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives