STATE OF MINNESOTA

Journal of the House

NINETY-FOURTH SESSION — 2026

FIFTY-FOURTH LEGISLATIVE DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 7, 2026

The House of Representatives convened at 12:15 p.m. and was called to order by Lisa Demuth, Speaker of the House.

Prayer was offered by the Reverend Sara Morse, Hazel Park Congregational United Church of Christ, St. Paul, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davis	Hansen, R.	Kozlowski	Nelson	Scott
Agbaje	Dippel	Hanson, J.	Koznick	Niska	Sencer-Mura
Allen	Dotseth	Harder	Kraft	Noor	Sexton
Altendorf	Duran	Heintzeman	Kresha	Norris	Skraba
Anderson, P. E.	Elkins	Hicks	Lawrence	O'Driscoll	Smith
Anderson, P. H.	Engen	Hill	Lee, F.	Olson	Stephenson
Backer	Falconer	Hollins	Lee, K.	Pérez-Vega	Stier
Bahner	Feist	Howard	Lee, X.	Perryman	Swedzinski
Bakeberg	Finke	Huot	Liebling	Pinto	Tabke
Baker	Fischer	Hussein	Lillie	Pursell	Torkelson
Bennett	Fogelman	Igo	Long	Quam	Van Binsbergen
Berg	Franson	Jacob	Luger-Nikolai	Rarick	Vang
Bierman	Frazier	Johnson, P.	Mahamoud	Rehm	Virnig
Bliss	Frederick	Johnson, W.	McDonald	Rehrauer	Warwas
Buck	Freiberg	Jones	Mekeland	Repinski	West
Burkel	Gander	Jordan	Moller	Reyer	Wiener
Carroll	Gillman	Joy	Momanyi-Hiltsley	Roach	Witte
Cha	Gomez	Keeler	Mueller	Robbins	Wolgamott
Clardy	Gordon	Klevorn	Murphy	Rymer	Xiong
Coulter	Gottfried	Knudsen	Myers	Schomacker	Youakim
Curran	Greene	Koegel	Nadeau	Schultz	Zeleznikar
Davids	Greenman	Kotyza-Witthuhn	Nash	Schwartz	Spk. Demuth

A quorum was present.

Novotny was excused until 1:05 p.m. Hudson was excused until 2:30 p.m.

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Pursuant to Rule 10.05, relating to Remote House Operations, the DFL Caucus Leader permitted the following member to vote via remote means: Rehrauer.

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

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 27, 2026

The Honorable Lisa Demuth
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Demuth:

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

H. F. No. 3615, relating to cannabis; extending laboratory testing requirements; amending Minnesota Statutes 2024, section 342.61, subdivision 1.

H. F. No. 4541, relating to state government; eliminating Cesar Chavez Day; repealing Minnesota Statutes 2024, section 10.555.

H. F. No. 3425, relating to housing; appropriating money for grants to supportive housing providers; requiring a report; amending Laws 2023, chapter 37, article 1, section 2, subdivision 18, as amended.

Sincerely,

TIM WALZ
Governor

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

The Honorable Lisa Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2026 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	*H. F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 2026*	*Date Filed 2026*
	3615	40	12:17 p.m. March 27	March 27
3623		41	12:17 p.m. March 27	March 27
	4541	42	12:18 p.m. March 27	March 27
	3425	43	12:20 p.m. March 27	March 27

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Noor and Schomacker from the Committee on Human Services Finance and Policy to which was referred:

H. F. No. 729, A bill for an act relating to human services; expanding certain medical assistance services to include coverage of care evaluations; modifying medical assistance rates for homemaker services, home health agency services, and home care nursing services; establishing a home care preceptor grant program; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 256B.0651, subdivisions 1, 2; 256B.0652, subdivision 11; 256B.0653, subdivisions 1, 6, by adding a subdivision; 256B.0654, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
DIRECT CARE AND TREATMENT POLICY

Section 1. Minnesota Statutes 2024, section 3.7381, is amended to read:

3.7381 LOSS, DAMAGE, OR DESTRUCTION OF PROPERTY; STATE INSTITUTIONS; CORRECTIONAL FACILITIES.

(a) The commissioners of ~~human services,~~ veterans affairs~~,~~ or corrections or the Direct Care and Treatment executive board, as appropriate, shall determine, adjust, and settle, at any time, claims and demands of $7,000 or less arising from negligent loss, damage, or destruction of property of a patient of a state institution under the control of the Direct Care and Treatment executive board or the commissioner of veterans affairs or an inmate of a state correctional facility.

(b) A claim of more than $7,000, or a claim that was not paid by the appropriate department or agency may be presented to, heard, and determined by the appropriate committees of the senate and the house of representatives and, if approved, shall be paid pursuant to legislative claims procedure.

(c) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies.

Sec. 2. Minnesota Statutes 2024, section 13.04, subdivision 4a, is amended to read:

Subd. 4a. **Sex offender program data; challenges.** Notwithstanding subdivision 4, challenges to the accuracy or completeness of data maintained by the Direct Care and Treatment sex offender program about a civilly committed sex offender as defined in section 246B.01, subdivision 1a, must be submitted in writing to the data practices compliance official of Direct Care and Treatment or a delegee. The data practices compliance official or a delegee must respond to the challenge as provided in this section.

Sec. 3. Minnesota Statutes 2024, section 13.384, subdivision 1, is amended to read:

Subdivision 1. ~~**Definition**~~ **Definitions.** As used in this section:

(a) "Directory information" means name of the patient, date admitted, and general condition.

(b) "Medical data" are data collected because an individual was or is a patient or client of a hospital, nursing home, medical center, clinic, health or nursing agency operated by a government entity including business and financial records, data provided by private health care facilities, and data provided by or about relatives of the individual. Medical data does not include data collected, maintained, used, or disseminated by Direct Care and Treatment.

Sec. 4. Minnesota Statutes 2024, section 13.43, subdivision 5a, is amended to read:

Subd. 5a. **Limitation on disclosure of certain personnel data.** (a) Notwithstanding any other provision of this section, the following data relating to employees of a secure treatment facility as defined in section 253B.02, subdivision 18a, or 253D.02, subdivision 13; employees of a treatment program as defined in section 253D.02, subdivision 17; employees of a state correctional facility~~,~~; or employees of the Department of Corrections directly involved in supervision of offenders in the community, ~~shall~~ must not be disclosed to facility patients or clients, corrections inmates, or other individuals who facility or correction administrators reasonably believe will use the information to harass, intimidate, or assault any of these employees:

(1) place where previous education or training occurred;

(2) place of prior employment; and

(3) payroll timesheets or other comparable data, to the extent that disclosure of payroll timesheets or other comparable data may disclose future work assignments, home address or telephone number, the location of an employee during nonwork hours, or the location of an employee's immediate family members.

(b) For employees of a secure treatment facility as defined in section 253B.02, subdivision 18a, or 253D.02, subdivision 13, or employees of a treatment program as defined in section 253D.02, subdivision 17, the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action under subdivision 2, paragraph (a), clause (5), must not be disclosed to facility patients or clients, or other individuals that Direct Care and Treatment reasonably believes will use the information to harass, intimidate, or assault any of these employees.

(c) Notwithstanding section 13.05, subdivision 12, a government entity that receives a request for personnel data that may be subject to paragraph (a) is authorized to require the requesting person to identify themselves and state a reason for their request.

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

Sec. 5. Minnesota Statutes 2024, section 13.46, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "Individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system according to statute or federal law, including but not limited to Native American Tribe programs that provide a service component of the welfare system, the Minnesota family investment program, medical assistance, general assistance, general assistance medical care formerly codified in chapter 256D, the child care assistance program, and child support collections.

(c) "Welfare system" includes the Department of Human Services; Direct Care and Treatment; the Department of Children, Youth, and Families; local social services agencies; county welfare agencies; county public health agencies; county veteran services agencies; county housing agencies; private licensing agencies; the public authority responsible for child support enforcement; human services boards; community mental health center boards, state hospitals, state nursing homes, the ombudsman for mental health and developmental disabilities; Native American Tribes to the extent a Tribe provides a service component of the welfare system; and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, mental health divisions of counties and other providers under contract to deliver mental health services, ~~Direct Care and Treatment mental health services,~~ or the ombudsman for mental health and developmental disabilities.

(e) "Fugitive felon" means a person who has been convicted of a felony and who has escaped from confinement or violated the terms of probation or parole for that offense.

(f) "Private licensing agency" means an agency licensed by the commissioner of children, youth, and families under chapter 142B to perform the duties under section 142B.30.

Sec. 6. Minnesota Statutes 2025 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent or investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs, and prepare the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section 6. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security or individual taxpayer identification numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services; the Department of Employment and Economic Development; the Department of Children, Youth, and Families; Direct Care and Treatment; and, when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security or individual taxpayer identification numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from a SNAP applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food and Nutrition Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security or individual taxpayer identification number, and, if available, photograph of any member of a household receiving SNAP benefits shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 142A.29, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, when the commissioner or community health board has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 518A.81, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services; Children, Youth, and Families; and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services; Department of Children, Youth, and Families; Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c); Department of Health; Department of Employment and Economic Development; and other state agencies as is reasonably necessary to perform these functions;

(29) counties and the Department of Children, Youth, and Families operating child care assistance programs under chapter 142E may disseminate data on program participants, applicants, and providers to the commissioner of education;

(30) child support data on the child, the parents, and relatives of the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as authorized by federal law;

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services;

(32) to the chief administrative officer of a school to coordinate services for a student and family; data that may be disclosed under this clause are limited to name, date of birth, gender, and address;

(33) to county correctional agencies to the extent necessary to coordinate services and diversion programs; data that may be disclosed under this clause are limited to name, client demographics, program, case status, and county worker information; or

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for substance use disorder may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are not subject to the access provisions of subdivision 10, paragraph (b).

(e) For the purposes of this subdivision, a request ~~will be~~ is deemed to be made in writing if made through a computer interface system.

(f) Direct Care and Treatment may disclose data pursuant to this subdivision regardless of any restrictions on disclosure of that data under sections 144.291 to 144.298.

(g) Notwithstanding section 144.2925, Direct Care and Treatment may disclose data as permitted by law.

(h) Direct Care and Treatment is not required to share with federal law enforcement data on individuals collected, maintained, used, or disseminated by Direct Care and Treatment that relate to the reporting of suspected crime unless specifically required to do so by a Minnesota or federal law.

(i) Direct Care and Treatment may disclose welfare system data held by the agency to facilitate coordination of guardianship services for Direct Care and Treatment clients, including but not limited to making disclosures in guardianship proceedings, identifying potential guardians, communicating with guardianship legal representation, and reporting complaints to the judicial branch or the Office of Ombudsman for Mental Health and Developmental Disabilities. Direct Care and Treatment must obtain the client's consent to the disclosure except when the client:

(1) lacks capacity to provide the consent; or

(2) has a current legal guardian who is unavailable, is nonresponsive, or refuses to authorize the disclosure in relation to complaints to the judicial branch or Office of Ombudsman for Mental Health and Developmental Disabilities.

Sec. 7. Minnesota Statutes 2024, section 182.6545, is amended to read:

182.6545 RIGHTS OF NEXT OF KIN UPON DEATH.

In the case of a death of an employee, the department shall make reasonable efforts to locate the employee's next of kin and shall mail to them copies of the following:

(1) citations and notification of penalty;

(2) notices of hearings;

(3) complaints and answers;

(4) settlement agreements;

(5) orders and decisions; and

(6) notices of appeals.

In addition, the next of kin shall have the right to request a consultation with the department regarding citations and notification of penalties issued as a result of the investigation of the employee's death. For the purposes of this section, "next of kin" refers to the nearest proper relative as that term is defined by section 253B.03, subdivision 6, paragraph (b), clause ~~(3)~~ (10).

Sec. 8. **[246C.051] CLASSIFICATION ALIGNMENT FOR DIRECT CARE AND TREATMENT EMPLOYEES.**

(a) Notwithstanding section 43A.08; Minnesota Rules, part 3900.1300; or any other law to the contrary, Direct Care and Treatment may, with approval from Minnesota Management and Budget, convert employees deemed unclassified pursuant to pilot authority of the Department of Human Services under Laws 1997, chapter 97, section 18, into the classified service.

(b) Employees converted to the classified service pursuant to this section are subject to the terms and conditions of employment applicable to positions in the classified service pursuant to statute, rule, bargaining unit or compensation plan, and agency policy, including but not limited to required probationary periods and mandatory training requirements.

(c) Employees converted to the classified service pursuant to this section must not receive a reduction in salary at the time of the conversion.

Sec. 9. Minnesota Statutes 2024, section 253B.03, subdivision 6, is amended to read:

Subd. 6. **Consent for medical procedure.** (a) A patient has the right to give prior consent to any medical ~~or surgical~~ treatment, including but not limited to surgery, other than treatment for chemical dependency or nonintrusive treatment for mental illness. For purposes of this subdivision, "patient" includes a person committed under chapter 253D who is in a state-operated treatment program.

(b) The following procedures shall be used to obtain consent for any treatment necessary to preserve the life or health of any committed patient:

(1) the written, informed consent of a competent adult patient for the treatment is sufficient;

(2) if the patient is subject to guardianship which includes the provision of medical care, the written, informed consent of the guardian for the treatment is sufficient;

(3) for a patient in a treatment facility, if the head of the treatment facility ~~or state-operated treatment program~~ determines that the patient is not competent to consent to the treatment and the patient has not been adjudicated incompetent, written, informed consent for the ~~surgery or~~ medical treatment shall be obtained from the person appointed the health care power of attorney, the patient's agent under the health care directive, or the nearest proper relative. ~~For this purpose, the following persons are proper relatives, in the order listed: the patient's spouse, parent, adult child, or adult sibling.~~ If the nearest proper ~~relatives~~ relative cannot be located, ~~refuse~~ refuses to consent to the procedure, or ~~are~~ is unable to consent, the head of the treatment facility ~~or state-operated treatment program~~ or an interested person, as defined by section 524.5-102, subdivision 7, may petition the committing court for approval for the treatment or may petition a court of competent jurisdiction for the appointment of a guardian. The determination that the patient is not competent, and the reasons for the determination, shall be documented in the patient's clinical record;

(4) for patients in a state-operated treatment program, if (i) the patient does not have a health care power of attorney or an agent under a health care directive or the patient's health care agent is not reasonably available to make the necessary health care decision for the patient, and (ii) the patient's treating physician determines that the patient lacks decision-making capacity to consent to the medical treatment, the state-operated treatment program must make a good faith attempt to locate the patient's nearest proper relative to obtain written informed consent for the medical treatment;

(5) if the state-operated treatment program is unable to reasonably locate a proper relative, the executive medical director has decision-making authority for the health care decision for the patient;

(6) any health care decision made by the executive medical director under clause (5) must be consistent with any documented patient health care directive and with reasonable medical practice and applicable law;

(7) if the state-operated treatment program consults with the patient's nearest proper relative under clause (4) and the patient's nearest proper relative and the patient's treating physician are not in agreement with respect to a medical treatment decision, the state-operated treatment program or an interested person may petition the committing court for approval of the treatment. The state-operated treatment program may also petition a court of competent jurisdiction for the appointment of a guardian at any time. If a court determines that a patient is not competent, the determination and the reasons for the determination must be documented in the patient's clinical record;

(8) before proceeding with treatment under clause (5), a state-operated treatment program must inform the patient of the determination, the proposed treatment, and the right to request review. Upon the request of the patient or an interested person, a second physician not directly involved in the patient's current treatment must review the incapacity determination. The executive medical director must review the proposed treatment decision and the second physician's review and make an updated determination. A state-operated treatment program may proceed with treatment of the patient while a review under this clause is pending;

(9) if a patient or interested person is dissatisfied with the outcome of the review under clause (8), the patient or interested person may petition the committing court under section 253B.17 for review of the determination made under clause (8). Filing a petition under section 253B.17 does not stay treatment under this subdivision unless otherwise ordered by the court. In reviewing the executive medical director's decision under clause (8) and issuing a determination, the court must determine if the patient lacks capacity. If the patient lacks capacity, the court must determine if the patient clearly stated what the patient would choose to do in the situation when the patient had the capacity to make a reasoned decision. Evidence of the patient's wishes may include written instruments, including a durable power of attorney for health care under chapter 145C or a declaration under subdivision 6d. If the court finds that the patient clearly stated what the patient would choose to do in the situation, the patient's wishes must be followed. If the court determines that the evidence of the patient's wishes regarding the situation is conflicting or lacking, the court must make a decision based on what a reasonable person would do, taking into consideration:

(i) the patient's family, community, moral, religious, and social values;

(ii) the medical risks, benefits, and alternatives to the proposed treatment;

(iii) past efficacy and any extenuating circumstances of past experience with the particular medical treatment; and

(iv) any other relevant factors;

(10) for purposes of this subdivision, the following persons are proper relatives, in the order listed: the patient's spouse, parent, adult child, or adult sibling;

~~(4)~~ (11) consent to treatment of any minor patient shall be secured in accordance with sections 144.341 to 144.346. A minor 16 years of age or older may consent to hospitalization, routine diagnostic evaluation, and emergency or short-term acute care; and

~~(5)~~ (12) in the case of an emergency when the persons ordinarily qualified to give consent cannot be located in sufficient time to address the emergency need, the head of the treatment facility or state-operated treatment program may give consent.

(c) No person who consents to treatment pursuant to the provisions of this subdivision shall be civilly or criminally liable for the performance or the manner of performing the treatment. No person shall be liable for performing treatment without consent if written, informed consent was given pursuant to this subdivision. This provision shall not affect any other liability which may result from the manner in which the treatment is performed.

(d) When a determination is made under paragraph (b), clauses (5) and (8), the state-operated treatment program must document the following information in the patient's clinical record:

(1) the determination of incapacity and the clinical basis for the determination;

(2) the specific treatment authorized;

(3) the person who provided consent or who made the determination allowing the treatment;

(4) the efforts made to locate and consult with a health care agent or nearest proper relative; and

(5) the patient's expressed preferences regarding the treatment, if known, and how the preferences were considered.

(e) The executive medical director must review a determination that a patient lacks capacity periodically as medically appropriate, but not less than every six months. The outcome of a review under this paragraph must be documented in the patient's clinical record.

Sec. 10. Minnesota Statutes 2025 Supplement, section 253B.18, subdivision 6, is amended to read:

Subd. 6. **Transfer.** (a) A patient who is a person who has a mental illness and is dangerous to the public shall not be transferred out of a secure treatment facility unless it appears to the satisfaction of the executive board, after a hearing and favorable recommendation by a majority of the special review board, that the transfer is appropriate. Transfer may be to another state-operated treatment program. In those instances where a commitment also exists to the Department of Corrections, transfer may be to a facility designated by the commissioner of corrections.

(b) The following factors must be considered in determining whether a transfer is appropriate:

(1) the person's clinical progress and present treatment needs;

(2) the need for security to accomplish continuing treatment;

(3) the need for continued institutionalization;

(4) which facility can best meet the person's needs; and

(5) whether transfer can be accomplished with a reasonable degree of safety for the public.

(c) If a committed person has been transferred out of a secure treatment facility pursuant to this subdivision, that committed person may voluntarily return to a secure treatment facility ~~for a period of up to 60 days~~ with the consent of the head of the treatment facility~~.~~ for a period of up to:

(1) 90 days if due to a psychiatric medical condition; or

(2) six months if due to a nonpsychiatric medical condition.

(d) If the committed person is not returned to the original, nonsecure transfer facility within ~~60~~ 90 days of being readmitted to a secure treatment facility if due to a psychiatric medical condition or within six months of being readmitted to a secure treatment facility if due to a nonpsychiatric medical condition, the transfer is revoked and the committed person must remain in a secure treatment facility. The committed person must immediately be notified in writing of the revocation.

(e) Within 15 days of receiving notice of the revocation, the committed person may petition the special review board for a review of the revocation. The special review board shall review the circumstances of the revocation and shall recommend to the executive board whether or not the revocation should be upheld. The special review board may also recommend a new transfer at the time of the revocation hearing.

(f) No action by the special review board is required if the transfer has not been revoked and the committed person is returned to the original, nonsecure transfer facility with no substantive change to the conditions of the transfer ordered under this subdivision.

(g) The head of the treatment facility may revoke a transfer made under this subdivision and require a committed person to return to a secure treatment facility if:

(1) remaining in a nonsecure setting does not provide a reasonable degree of safety to the committed person or others; or

(2) the committed person has regressed clinically and the facility to which the committed person was transferred does not meet the committed person's needs.

(h) Upon the revocation of the transfer, the committed person must be immediately returned to a secure treatment facility. A report documenting the reasons for revocation must be issued by the head of the treatment facility within seven days after the committed person is returned to the secure treatment facility. Advance notice to the committed person of the revocation is not required.

(i) The committed person must be provided a copy of the revocation report and informed, orally and in writing, of the rights of a committed person under this section. The revocation report must be served upon the committed person, the committed person's counsel, and the designated agency. The report must outline the specific reasons for the revocation, including but not limited to the specific facts upon which the revocation is based.

(j) If a committed person's transfer is revoked, the committed person may re-petition for transfer according to subdivision 5.

(k) A committed person aggrieved by a transfer revocation decision may petition the special review board within seven business days after receipt of the revocation report for a review of the revocation. The matter must be scheduled within 30 days. The special review board shall review the circumstances leading to the revocation and, after considering the factors in paragraph (b), shall recommend to the executive board whether or not the revocation shall be upheld. The special review board may also recommend a new transfer out of a secure treatment facility at the time of the revocation hearing.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 253B.18, subdivision 14, is amended to read:

Subd. 14. **Voluntary readmission.** (a) With the consent of the head of the treatment facility or state-operated treatment program, a patient may voluntarily return from provisional discharge with the consent of the designated agency for a period of up to:

(1) 30 days~~, or~~;

(2) u~~p to 60~~ 90 days ~~with the consent of the designated agency.~~ if due to a psychiatric medical condition; or

(3) six months if due to a nonpsychiatric medical condition.

(b) If the patient is not returned to provisional discharge status within ~~60~~ 90 days of being readmitted if due to a psychiatric medical condition or within six months of being readmitted if due to a nonpsychiatric medical condition, the provisional discharge is revoked. Within 15 days of receiving notice of the change in status, the patient may request a review of the matter before the special review board. The special review board may recommend a return to a provisional discharge status.

~~(b)~~ (c) The treatment facility or state-operated treatment program is not required to petition for a further review by the special review board unless the patient's return to the community results in substantive change to the existing provisional discharge plan. All the terms and conditions of the provisional discharge order shall remain unchanged if the patient is released again.

EFFECTIVE DATE. This section is effective July 1, 2026.

ARTICLE 2
DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 2024, section 144.56, subdivision 2b, is amended to read:

Subd. 2b. **Boarding care homes.** The commissioner shall not adopt or enforce any rule that limits:

(1) a certified boarding care home from providing nursing services in accordance with the home's Medicaid certification; or

(2) a noncertified boarding care home ~~registered under chapter 144D~~ from providing home care services ~~in accordance with the home's registration~~.

Sec. 2. Minnesota Statutes 2024, section 144.586, subdivision 2, is amended to read:

Subd. 2. **Postacute care discharge planning.** (a) Each hospital, including hospitals designated as critical access hospitals, must comply with the federal hospital requirements for discharge planning, which include:

(1) conducting a discharge planning evaluation that includes an evaluation of:

(i) the likelihood of the patient needing posthospital services and of the availability of those services; and

(ii) the patient's capacity for self-care or the possibility of the patient being cared for in the environment from which the patient entered the hospital;

(2) timely completion of the discharge planning evaluation under clause (1) by hospital personnel so that appropriate arrangements for posthospital care are made before discharge, and to avoid unnecessary delays in discharge;

(3) including the discharge planning evaluation under clause (1) in the patient's medical record for use in establishing an appropriate discharge plan. The hospital must discuss the results of the evaluation with the patient or individual acting on behalf of the patient. The hospital must reassess the patient's discharge plan if the hospital determines that there are factors that may affect continuing care needs or the appropriateness of the discharge plan; and

(4) providing counseling, as needed, for the patient and family members or interested persons to prepare them for posthospital care. The hospital must provide a list of available Medicare-eligible home care agencies or skilled nursing facilities that serve the patient's geographic area, or other area requested by the patient if such care or placement is indicated and appropriate. Once the patient has designated their preferred providers, the hospital will assist the patient in securing care covered by their health plan or within the care network. The hospital must not specify or otherwise limit the qualified providers that are available to the patient. The hospital must document in the patient's record that the list was presented to the patient or to the individual acting on the patient's behalf.

(b) Each hospital, including hospitals designated as critical access hospitals, must document in the patient's discharge plan instances when a restraint was used to manage the patient's behavior prior to discharge, including the type of restraint, duration, and frequency. In cases where the patient is transferred to a licensed or registered provider, the hospital must notify the provider of the type, duration, and frequency of the restraint. "Restraint" has the meaning given in section 144G.08, subdivision 61a.

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

Sec. 3. Minnesota Statutes 2024, section 144.6502, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of health.

(c) "Department" means the Department of Health.

(d) "Electronic monitoring" means the placement and use of an electronic monitoring device in the resident's room or private living unit in accordance with this section.

(e) "Electronic monitoring device" means a camera or other device that captures, records, or broadcasts audio, video, or both, that is placed in a resident's room or private living unit and is used to monitor the resident or activities in the room or private living unit.

(f) "Facility" means a facility that is:

(1) licensed as a nursing home under chapter 144A;

(2) licensed as a boarding care home under sections 144.50 to 144.56; or

~~(3) until August 1, 2021, a housing with services establishment registered under chapter 144D that is either subject to chapter 144G or has a disclosed special unit under section 325F.72; or~~

~~(4) on or after August 1, 2021,~~ (3) licensed as an assisted living facility under chapter 144G.

(g) "Resident" means a person 18 years of age or older residing in a facility.

(h) "Resident representative" means one of the following in the order of priority listed, to the extent the person may reasonably be identified and located:

(1) a court-appointed guardian;

(2) a health care agent as defined in section 145C.01, subdivision 2; or

(3) a person who is not an agent of a facility or of a home care provider designated in writing by the resident and maintained in the resident's records on file with the facility.

Sec. 4. Minnesota Statutes 2024, section 144A.161, subdivision 1a, is amended to read:

Subd. 1a. **Scope.** Where a facility is undertaking a closure, reduction, or change in operations, ~~or where a housing with services unit registered under chapter 144D is closed because the space that it occupies is being replaced by a nursing facility bed that is being reactivated from layaway status,~~ the facility and the county social services agency must comply with the requirements of this section.

Sec. 5. Minnesota Statutes 2024, section 144A.472, subdivision 5, is amended to read:

Subd. 5. **Changes in ownership.** (a) A home care license issued by the commissioner may not be transferred to another party. Before acquiring ownership of or a controlling interest in a home care provider business, a prospective owner must apply for a new license. A change of ownership is a transfer of operational control of the home care provider business and includes:

(1) transfer of the business to a different or new corporation;

(2) in the case of a partnership, the dissolution or termination of the partnership under chapter 323A, with the business continuing by a successor partnership or other entity;

(3) relinquishment of control of the provider to another party, including to a contract management firm that is not under the control of the owner of the business' assets;

(4) transfer of the business by a sole proprietor to another party or entity; or

(5) transfer of ownership or control of 50 percent or more of the controlling interest of a home care provider business not covered by clauses (1) to (4).

(b) An employee who was employed by the previous owner of the home care provider business prior to the effective date of a change in ownership under paragraph (a), and who will be employed by the new owner in the same or a similar capacity, shall be treated as if no change in employer occurred, with respect to orientation, training, tuberculosis testing, background studies, and competency testing and training on the policies identified in subdivision 1, clause (14), and subdivision 2, if applicable.

(c) Notwithstanding paragraph (b), a new owner of a home care provider business must ensure that employees of the provider receive and complete training and testing on any provisions of policies that differ from those of the previous owner within 90 days after the date of the change in ownership.

(d) After a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership. Additionally, the new licensee is responsible for bringing the home care provider into compliance with all existing ordered, imposed, or agreed-upon corrections and conditions.

Sec. 6. Minnesota Statutes 2025 Supplement, section 144A.474, subdivision 11, is amended to read:

Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in paragraph (b) and imposed immediately with no opportunity to correct the violation first as follows:

(1) Level 1, no fines or enforcement;

(2) Level 2, a fine of $500 per violation, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(3) Level 3, a fine of $1,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(4) Level 4, a fine of $3,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(5) Level 5, a fine of $5,000 per violation, in addition to any enforcement mechanism authorized in section 144A.475; and

(6) for maltreatment violations for which the licensee was determined to be responsible for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of $1,000. A fine of $5,000 may be imposed if the commissioner determines the licensee is responsible for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

The fines in clauses (1) to (5) are increased and immediate fine imposition is authorized for both surveys and investigations conducted.

When a fine is assessed against a facility for substantiated maltreatment, the commissioner shall not also impose an immediate fine under this chapter for the same circumstance.

(b) Correction orders for violations are categorized by both level and scope and fines shall be assessed as follows:

(1) level of violation:

(i) Level 1 is a violation that will cause only minimal impact on the client and does not affect health or safety;

(ii) Level 2 is a violation that did not harm a client's health or safety but had the potential to have harmed a client's health or safety, but was not likely to cause serious injury, impairment, or death;

(iii) Level 3 is a violation that harmed a client's health or safety, or a violation that had the potential to cause more than minimal harm to the client;

(iv) Level 4 is a violation that harmed a client's health or safety, not including serious injury or death, or a violation that was likely to lead to serious injury or death; and

(v) Level 5 is a violation that results in serious injury or death; and

(2) scope of violation:

(i) isolated, when one or a limited number of clients are affected or one or a limited number of staff are involved or the situation has occurred only occasionally;

(ii) pattern, when more than a limited number of clients are affected, more than a limited number of staff are involved, or the situation has occurred repeatedly but is not found to be pervasive; and

(iii) widespread, when problems are pervasive or represent a systemic failure that has affected or has the potential to affect a large portion or all of the clients.

(c) If the commissioner finds that the applicant or a home care provider has not corrected violations by the date specified in the correction order or conditional license resulting from a survey or complaint investigation, the commissioner shall provide a notice of noncompliance with a correction order by email to the applicant's or provider's last known email address. The noncompliance notice must list the violations not corrected.

(d) For every violation identified by the commissioner, the commissioner shall issue an immediate fine pursuant to paragraph (a). The license holder must still correct the violation in the time specified. The issuance of an immediate fine can occur in addition to any enforcement mechanism authorized under section 144A.475. The immediate fine may be appealed as allowed under this subdivision.

(e) The license holder must pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies by paying the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(f) A license holder shall promptly notify the commissioner in writing when a violation specified in the order is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order, the commissioner may issue a second fine. The commissioner shall notify the license holder by mail to the last known address in the licensing record that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(g) A home care provider that has been assessed a fine under this subdivision has a right to a reconsideration or a hearing under this section and chapter 14.

(h) When a fine has been assessed, the license holder may not avoid payment by closing~~, selling, or otherwise transferring the licensed program to a third party~~ the license. In such an event, the license holder shall be liable for payment of the fine. In the event of a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership regardless of the date of the violation.

(i) In addition to any fine imposed under this section, the commissioner may assess a penalty amount based on costs related to an investigation that results in a final order assessing a fine or other enforcement action authorized by this chapter.

(j) Fines collected under paragraph (a) shall be deposited in a dedicated special revenue account. ~~On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.~~ Money deposited in the account is appropriated to the commissioner on an annual basis for a competitive grant program for special projects for improving home care client quality of care and outcomes in Minnesota, with a specific focus on workforce and clinical outcomes, including projects consistent with the criteria in section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed under this chapter or organizations with experience in or knowledge of home care operations, compliance, client needs, or best practices. Each grant must be at least $1,000. A provider with a temporary license under this chapter is not eligible to apply for a grant. The commissioner may retain up to ten percent of the amount available to cover the costs to administer the grant under this section. The commissioner must publish on the department's website an annual report on the fines assessed and collected, and how the appropriated money was allocated.

Sec. 7. Minnesota Statutes 2025 Supplement, section 144A.4799, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of health shall appoint 14 persons to a home care and assisted living advisory council consisting of the following:

(1) four public members as defined in section 214.02, one of whom must be a person who either is receiving or has received home care services preferably within the five years prior to initial appointment, one of whom must be a person who has or had a family member receiving home care services preferably within the five years prior to initial appointment, one of whom must be a person who either is or has been a resident in an assisted living facility preferably within the five years prior to initial appointment, and one of whom must be a person who has or had a family member residing in an assisted living facility preferably within the five years prior to initial appointment;

(2) two Minnesota home care licensees representing basic and comprehensive levels of licensure who may be a managerial official, an administrator, a supervising registered nurse, or an unlicensed personnel performing home care tasks;

(3) one member representing the Minnesota Board of Nursing;

(4) one member representing the Office of Ombudsman for Long-Term Care;

(5) one member representing the Office of Ombudsman for Mental Health and Developmental Disabilities;

(6) one member of a county health and human services or county adult protection office;

(7) two Minnesota assisted living facility licensees representing assisted living facilities and assisted living facilities with dementia care levels of licensure who may be the facility's assisted living director, managerial official, or clinical nurse supervisor;

(8) one organization representing long-term care providers, home care providers, and assisted living providers in Minnesota; and

(9) one representative of a consumer advocacy organization representing individuals receiving long-term care from licensed home care providers or assisted living facilities.

(b) When a vacancy occurs for an appointment identified in paragraph (a), the commissioner must select an applicant for appointment within 81 calendars days of the position being posted by the secretary of state if the application of a qualified and, if applicable, a licensee in good standing applicant is received within 21 days of posting. If no qualified applications are received within the first 21 days, the commissioner must select an applicant for appointment within 60 calendar days of receiving the application of a qualified and, if applicable, a licensee in good standing applicant.

Sec. 8. Minnesota Statutes 2024, section 144A.72, subdivision 2, is amended to read:

Subd. 2. **Penalties.** (a) Failure to comply with this section shall subject the supplemental nursing services agency to revocation or nonrenewal of its registration. Violations of section 144A.74 are subject to a fine equal to 200 percent of the amount billed or received in excess of the maximum permitted under that section.

(b) The commissioner may request and must be given access to relevant information, records, incident reports, or other documents in the possession of a facility if the commissioner considers them necessary to verify a supplemental nursing services agency's compliance with this section. The commissioner may bring enforcement action against a supplemental nursing services agency or facility that fails to provide the commissioner with information, records, reports, or other documents requested under this paragraph.

Sec. 9. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 26a. **Imminent risk.** "Imminent risk" means an immediate and impending threat to the health, safety, or rights of an individual.

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

Sec. 10. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 54a. **Prone restraint.** "Prone restraint" means the use of manual restraint that places a resident in a face-down position. Prone restraint does not include the brief physical holding of a resident who, during an emergency use of a manual restraint, rolls into a prone position and as quickly as possible the resident is restored to a standing, sitting, or side-lying position.

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

Sec. 11. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 61a. **Restraint.** "Restraint" means:

(1) chemical restraint, as defined in section 245D.02, subdivision 3b;

(2) manual restraint, as defined in section 245D.02, subdivision 15a;

(3) mechanical restraint, as defined in section 245D.02, subdivision 15b; or

(4) any other form of restraint that limits the free and normal movement of body or limbs.

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

Sec. 12. Minnesota Statutes 2024, section 144G.19, is amended by adding a subdivision to read:

Subd. 6. **Correction orders and fines.** After a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership regardless of the date of the violation. Additionally, the new licensee is responsible for bringing the facility into compliance with all existing ordered, imposed or agreed-upon corrections and conditions.

Sec. 13. Minnesota Statutes 2024, section 144G.31, subdivision 6, is amended to read:

Subd. 6. **Payment of fines required.** When a fine has been assessed, the licensee may not avoid payment by closing~~, selling, or otherwise transferring the license to a third party~~ the license. In such an event, the licensee shall be liable for payment of the fine. In the event of a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership regardless of the date of the violation.

Sec. 14. **[144G.65] TRAINING IN EMERGENCY MANUAL RESTRAINTS.**

Subdivision 1. **Training.** A licensee must ensure that staff who are authorized to apply an emergency use of a manual restraint complete a minimum of four hours of training from a qualified individual prior to assuming these responsibilities. Training must include:

(1) types of behaviors, de-escalation techniques and their value;

(2) principles of person-centered planning and service delivery as identified in section 245D.07, subdivision 1a, paragraph (b);

(3) what constitutes the use of a restraint;

(4) staff responsibilities related to: (i) prohibited procedures under section 144G.85; (ii) why prohibited procedures are not effective for reducing or eliminating symptoms or interfering behavior; and (iii) why prohibited procedures are not safe;

(5) the situations when staff must contact 911 services in response to an imminent risk of harm to the resident or others; and

(6) strategies for respecting and supporting each resident's cultural preferences.

Subd. 2. **Annual refresher training.** The licensee must ensure that staff who apply an emergency use of a manual restraint complete two hours of refresher training on an annual basis covering each of the training areas listed in subdivision 1.

Subd. 3. **Implementation.** The assisted living facility must implement all orientation and training topics covered in this section.

Subd. 4. **Verification and documentation of orientation and training.** For staff who are authorized to apply an emergency use of a manual restraint, the assisted living facility must retain evidence in the employee record of each staff person having completed the orientation and training under this section.

Subd. 5. **Exemption.** This section does not apply to licensees who have a policy prohibiting the use of restraints.

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

Sec. 15. **[144G.85] USE OF RESTRAINTS.**

Subdivision 1. **Use of restraints prohibited.** Restraints are prohibited except as described in subdivisions 2 and 4.

Subd. 2. **Exception.** (a) Emergency use of a manual restraint is permitted only when immediate intervention is needed to protect the resident or others from imminent risk of physical harm and is the least restrictive intervention to address the risk. The restraint must be imposed for the least amount of time necessary and removed when there is no longer imminent risk of physical harm to the resident or other persons in the facility. The use of restraint under this subdivision must:

(1) take into consideration the rights, health, and welfare of the resident;

(2) not apply pressure to the back or chest while a resident is in a prone, supine, or side-lying position; and

(3) allow the resident to be free from prone restraint.

(b) This section does not apply when a resident, a resident's legal representative, or a family member acting on the resident's behalf chooses to utilize a bed rail or other device that may constitute a restraint, after being informed of the facility's policy prohibiting the use of restraints and of the risks of using the device. The facility must document that the resident, resident's legal representative, or family member received information regarding the facility's policy and the risks of using the device and voluntarily elected to use the device.

Subd. 3. **Documentation and notification.** (a) The resident's legal representative must be notified within 24 hours of an emergency use of a manual restraint and of the circumstances that prompted the use. Notification and the emergency use of a manual restraint must be documented. If known, the advanced practice registered nurse, physician, or physician assistant must be notified within 24 hours of an emergency use of a manual restraint.

(b) On a form developed by the commissioner, the facility must notify the commissioner and the ombudsman for long-term care within seven calendar days of any emergency use of a manual restraint, including when any restraint is first applied or ordered. The commissioner will monitor reported uses to detect overuse or unauthorized, inappropriate, or ineffective use of the restraint. The form must include:

(1) the name and date of birth of the resident;

(2) the date and time of the use of the restraint;

(3) the names of staff and any residents who were involved in the incident leading up to the emergency use of a manual restraint;

(4) a description of the incident, including the length of time the restraint was applied and who was present before and during the incident leading up to the emergency use of a manual restraint;

(5) a description of what less restrictive alternative measures were attempted to de-escalate the incident and maintain safety that identifies when, how, and for how long the alternative measures were attempted before the emergency use of a manual restraint was implemented;

(6) a description of the mental, physical, and emotional condition of the resident who was restrained and of other persons involved in the incident leading up to, during, and following the emergency use of a manual restraint;

(7) whether there was any injury to the resident who was restrained or other persons involved in the incident, including staff, before or as a result of the emergency use of a manual restraint; and

(8) whether there was a debriefing following the incident with the staff, and, if not contraindicated, with the resident who was restrained and other persons who were involved in or who witnessed the emergency use of a manual restraint, and the outcome of the debriefing. If the debriefing was not conducted at the time the incident report was made, the form should identify whether a debriefing is planned and a plan for mitigating use of restraints in the future.

(c) A copy of the form submitted under paragraph (b) must be maintained in the resident's record.

(d) A copy of the form submitted under paragraph (b) must be sent to the resident's waiver case manager within seven calendar days of the emergency use of manual restraints. An emergency use of manual restraints on people served under section 256B.49 and chapter 256S must be documented by the case manager in the resident's support plan, as defined in sections 256B.49, subdivision 15, and 256S.10.

(e) The use of restraints by law enforcement officers or other emergency personnel acting in a licensed capacity does not require the facility to comply with the requirements of this subdivision.

Subd. 4. **Ordered treatment.** The use of a restraint, other than an emergency use of a manual restraint to address an imminent risk, that is part of an ordered treatment must comply with the requirements for ordered treatment under section 144G.72 and must be the least restrictive option.

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

Sec. 16. Minnesota Statutes 2024, section 157.17, subdivision 2, is amended to read:

Subd. 2. **Registration.** At the time of licensure or license renewal, a boarding and lodging establishment or a lodging establishment that provides supportive services or health supervision services must be registered with the commissioner, and must register annually thereafter. The registration must include the name, address, and telephone number of the establishment, the name of the operator, the types of services that are being provided, a description of

the residents being served, the type and qualifications of staff in the facility, and other information that is necessary to identify the needs of the residents and the types of services that are being provided. The commissioner shall develop and furnish to the boarding and lodging establishment or lodging establishment the necessary form for submitting the registration.

~~Housing with services establishments registered under chapter 144D shall be considered registered under this section for all purposes except that:~~

~~(1) the establishments shall operate under the requirements of chapter 144D; and~~

~~(2) the criminal background check requirements of sections 299C.66 to 299C.71 apply. The criminal background check requirements of section 144.057 apply only to personnel providing home care services under sections 144A.43 to 144A.47 and personnel providing hospice care under sections 144A.75 to 144A.755.~~

Sec. 17. Minnesota Statutes 2024, section 157.17, subdivision 5, is amended to read:

Subd. 5. **Services that may not be provided in a boarding and lodging establishment or lodging establishment.** ~~Except those facilities registered under chapter 144D,~~ A boarding and lodging establishment or lodging establishment may not admit or retain individuals who:

(1) would require assistance from establishment staff because of the following needs: bowel incontinence, catheter care, use of injectable or parenteral medications, wound care, or dressing changes or irrigations of any kind; or

(2) require a level of care and supervision beyond supportive services or health supervision services.

Sec. 18. Minnesota Statutes 2024, section 295.50, subdivision 4, is amended to read:

Subd. 4. **Health care provider.** (a) "Health care provider" means:

(1) a person whose health care occupation is regulated or required to be regulated by the state of Minnesota furnishing any or all of the following goods or services directly to a patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services, drugs, laboratory, diagnostic or therapeutic services;

(2) a person who provides goods and services not listed in clause (1) that qualify for reimbursement under the medical assistance program provided under chapter 256B;

(3) a staff model health plan company;

(4) an ambulance service required to be licensed;

(5) a person who sells or repairs hearing aids and related equipment or prescription eyewear; or

(6) a person providing patient services, who does not otherwise meet the definition of health care provider and is not specifically excluded in clause (b), who employs or contracts with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise oversee, or consult with regarding patient services.

(b) Health care provider does not include:

(1) hospitals; medical supplies distributors, except as specified under paragraph (a), clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction; wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation, or any other providers of transportation services other than ambulance services required to be licensed; supervised living facilities for persons with developmental disabilities, licensed

under Minnesota Rules, parts 4665.0100 to 4665.9900; ~~housing with services establishments required to be registered under chapter 144D;~~ board and lodging establishments providing only custodial services that are licensed under chapter 157 and registered under section 157.17 to provide supportive services or health supervision services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults with developmental disabilities as defined in section 252.41, subdivision 3; boarding care homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined in Minnesota Rules, part 9555.9600;

(2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a person providing personal care assistance services and supervision of personal care assistance services as defined in ~~Minnesota Rules, part 9505.0335~~ section 256B.0625, subdivision 19a; a person providing home care nursing services as defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed under chapter 144A for home care services provided under chapter 144A;

(3) a person who employs health care providers solely for the purpose of providing patient services to its employees;

(4) an educational institution that employs health care providers solely for the purpose of providing patient services to its students if the institution does not receive fee for service payments or payments for extended coverage; and

(5) a person who receives all payments for patient services from health care providers, surgical centers, or hospitals for goods and services that are taxable to the paying health care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision 1, paragraph (b), clause (3) or (4), or from a source of funds that is excluded or exempt from tax under sections 295.50 to 295.59.

Sec. 19. Minnesota Statutes 2025 Supplement, section 295.50, subdivision 9b, is amended to read:

Subd. 9b. **Patient services.** (a) "Patient services" means inpatient and outpatient services and other goods and services provided by hospitals, surgical centers, or health care providers. They include the following health care goods and services provided to a patient or consumer:

(1) bed and board;

(2) nursing services and other related services;

(3) use of hospitals, surgical centers, or health care provider facilities;

(4) medical social services;

(5) drugs, biologicals, supplies, appliances, and equipment;

(6) other diagnostic or therapeutic items or services;

(7) medical or surgical services;

(8) items and services furnished to ambulatory patients not requiring emergency care; and

(9) emergency services.

(b) "Patient services" does not include:

(1) services provided to nursing homes licensed under chapter 144A;

(2) examinations for purposes of utilization reviews, insurance claims or eligibility, litigation, and employment, including reviews of medical records for those purposes;

(3) services provided to and by community residential mental health facilities licensed under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, and to and by residential treatment programs for children with a serious mental illness licensed or certified under chapter 245A;

(4) services provided under the following programs: day treatment services as defined in section 245.462, subdivision 8; assertive community treatment as described in section 256B.0622; adult rehabilitative mental health services as described in section 256B.0623; crisis response services as described in section 256B.0624; and children's therapeutic services and supports as described in section 256B.0943;

(5) services provided to and by community mental health centers as defined in section 245.62, subdivision 2;

(6) services provided to and by assisted living programs and congregate housing programs;

(7) hospice care services;

(8) home and community-based waivered services under chapter 256S and sections 256B.49 and 256B.501;

(9) targeted case management services under sections 256B.0621; 256B.0625, subdivisions 20, 20a, 33, and 44; and 256B.094; and

(10) services provided to the following: supervised living facilities for persons with developmental disabilities licensed under Minnesota Rules, parts 4665.0100 to 4665.9900; ~~housing with services establishments required to be registered under chapter 144D;~~ board and lodging establishments providing only custodial services that are licensed under chapter 157 and registered under section 157.17 to provide supportive services or health supervision services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults with developmental disabilities as defined in section 252.41, subdivision 3; boarding care homes as defined in Minnesota Rules, part 4655.0100; adult day care services as defined in section 245A.02, subdivision 2a; and home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15, or licensed under chapter 144A.

Sec. 20. **SPECIAL PROJECTS GRANT PROGRAM FOR HOME CARE PROVIDERS.**

By December 31, 2028, the commissioner of health must distribute the balance as of January 1, 2027, in the special revenue account under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j), under a competitive grant program for special projects for improving home care client quality of care and outcomes in Minnesota, with a specific focus on workforce and clinical outcomes, including projects consistent with criteria in Minnesota Statutes, section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed under Minnesota Statutes, chapter 144A, or organizations with experience in or knowledge of home care operations, compliance, client needs, or best practices. Each grant must be at least $1,000. A provider with a temporary license under Minnesota Statutes, chapter 144A, is not eligible to apply for a grant. Any amount that has not been awarded as a grant by December 31, 2028, must be used for the annual distributions under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j), beginning January 1, 2029.

ARTICLE 3
HEALTH CARE POLICY

Section 1. Minnesota Statutes 2025 Supplement, section 15.013, is amended by adding a subdivision to read:

Subd. 7. **Exemption.** Nothing in this section modifies, supersedes, limits, or expands the authority of the commissioner of human services to impose sanctions under section 256B.064.

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

Sec. 2. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to read:

Subd. 7. **Exemption.** Nothing in this section modifies, supersedes, limits, or expands the commissioner's authority to impose sanctions under section 256B.064.

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

Sec. 3. **[256B.0435] PREPAYMENT REVIEW.**

Subdivision 1. **Providers subject to prepayment review.** (a) The commissioner must establish prepayment review of submitted medical assistance claims when the commissioner or the Centers for Medicare and Medicaid Services designates:

(1) a provider type as high-risk under section 256B.04, subdivision 21, paragraph (j), for fee-for-service claims submitted by providers within that category; and

(2) a covered service as high-risk, for fee-for-service claims submitted for that service by any provider, except the Indian Health Service.

(b) Nothing in this section prevents the commissioner from establishing prepayment review in other circumstances if required by the Centers for Medicare and Medicaid Services.

Subd. 2. **Review requirements.** (a) The commissioner must implement a prepayment review established under subdivision 1, paragraph (a), within 15 days of the date of the high-risk designation, effective for a period of up to 24 months from the date the review is implemented.

(b) A prepayment review established under subdivision 1, paragraph (a), must comply with the timely processing of claims requirements under Code of Federal Regulations, title 42, section 447.45.

(c) Before ending prepayment review under subdivision 1, paragraph (a), clause (1), the commissioner must review all fee-for-service claims submitted by providers subject to the prepayment review in the 24 months preceding the date the provider type was designated high-risk.

Subd. 3. **Continued enrollment of new clients.** Nothing in this section prohibits an enrolled provider that is subject to prepayment review under subdivision 1, paragraph (a), from enrolling new clients or beneficiaries during the period of the review.

Subd. 4. **Notice.** At least ten days prior to implementing a prepayment review, the commissioner must notify enrolled providers subject to the review and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance about the prepayment review the commissioner plans to implement under this section. The notice must:

(1) include a list of provider types or covered services to which prepayment review applies;

(2) provide a general explanation for the basis of the review; and

(3) identify the start date and anticipated duration of the prepayment review.

Subd. 5. **Report to the legislature.** (a) Within 60 days of ending a prepayment review, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance. The report must include, at a minimum:

(1) a summary of any sanctions imposed under section 256B.064 on any providers subject to prepayment review; and

(2) recommendations for modifying or terminating the provision of covered services deemed high-risk or delivered by provider types subject to prepayment review.

(b) Notwithstanding section 256.01, subdivision 42, this subdivision does not expire.

Sec. 4. Minnesota Statutes 2024, section 256B.064, subdivision 1b, is amended to read:

Subd. 1b. **Sanctions available.** (a) The commissioner may impose the following sanctions for the conduct described in subdivision 1a: ~~suspension or withholding of payments to an individual or entity and suspending or terminating participation in the program, or imposition of a fine under subdivision 2, paragraph (g).~~

(1) suspending payments to an individual or entity;

(2) withholding payments to an individual or entity;

(3) suspending participation in the program;

(4) terminating participation in the program; or

(5) imposing a fine under subdivision 2a.

(b) When imposing sanctions under this ~~section~~ subdivision, the commissioner ~~shall~~ must consider the nature, chronicity, or severity of the conduct and the effect of the conduct on the health and safety of persons served by the individual or entity.

(c) The commissioner ~~shall~~ must suspend an individual's or entity's participation in the program for a minimum of five years if the individual or entity is convicted of a crime, received a stay of adjudication, or entered a court-ordered diversion program for an offense related to a provision of a health service under medical assistance, including a federally approved waiver, or health care fraud.

(d) Regardless of imposition of sanctions, the commissioner may make a referral to the appropriate state licensing board.

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

Sec. 5. Minnesota Statutes 2024, section 256B.064, subdivision 1c, is amended to read:

Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner may obtain monetary recovery from an individual or entity that has been improperly paid by the department either as a result of conduct described in subdivision 1a or as a result of an error by the individual or entity submitting the claim or by the department, regardless of whether the error was intentional. Patterns need not be proven as a precondition to monetary recovery of erroneous or false claims, duplicate claims, claims for services not medically necessary, or claims based on false statements.

(b) The commissioner may obtain monetary recovery using methods including but not limited to the following: assessing and recovering money improperly paid and debiting from future payments any money improperly paid. The commissioner ~~shall~~ must charge interest on money to be recovered if the recovery is to be made by installment payments or debits, except when the monetary recovery is of an overpayment that resulted from a department error. The interest charged ~~shall~~ must be the rate established by the commissioner of revenue under section 270C.40.

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

Sec. 6. Minnesota Statutes 2024, section 256B.064, subdivision 1d, is amended to read:

Subd. 1d. **Investigative costs.** (a) The commissioner may seek recovery of investigative costs from any individual or entity that willfully submits a claim for reimbursement for services that the individual or entity knows, or reasonably should have known, is a false representation and that results in the payment of public funds for which the individual or entity is ineligible.

(b) Billing errors that result in unintentional overcharges ~~shall~~ are not ~~be~~ grounds for investigative cost recoupment.

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

Sec. 7. Minnesota Statutes 2024, section 256B.064, subdivision 2, is amended to read:

Subd. 2. **Imposition of monetary recovery and sanctions; generally.** (a) The commissioner ~~shall~~ must determine any monetary amounts to be recovered and sanctions to be imposed upon an individual or entity under this section. Except as provided in ~~paragraphs (b) and (d), neither~~ subdivisions 2b to 2d, the commissioner must not obtain a monetary recovery ~~nor~~ or impose a sanction ~~will be imposed by the commissioner~~ without prior notice and an opportunity for a hearing, according to chapter 14, on the commissioner's proposed action~~, provided that the commissioner may suspend or reduce payment to an individual or entity, except a nursing home or convalescent care facility, after notice and prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program~~.

~~(b) Except when the commissioner finds good cause not to suspend payments under Code of Federal Regulations, title 42, section 455.23(e) or (f), the commissioner shall withhold or reduce payments to an individual or entity without providing advance notice of such withholding or reduction if either of the following occurs:~~

~~(1) the individual or entity is convicted of a crime involving the conduct described in subdivision 1a; or~~

~~(2) the commissioner determines there is a credible allegation of fraud for which an investigation is pending under the program. Allegations are considered credible when they have an indicium of reliability and the state agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case by case basis. A credible allegation of fraud is an allegation which has been verified by the state, from any source, including but not limited to:~~

~~(i) fraud hotline complaints;~~

~~(ii) claims data mining; and~~

~~(iii) patterns identified through provider audits, civil false claims cases, and law enforcement investigations.~~

~~(c) The commissioner must send notice of the withholding or reduction of payments under paragraph (b) within five days of taking such action unless requested in writing by a law enforcement agency to temporarily withhold the notice. The notice must:~~

~~(1) state that payments are being withheld according to paragraph (b);~~

~~(2) set forth the general allegations as to the nature of the withholding action, but need not disclose any specific information concerning an ongoing investigation;~~

~~(3) except in the case of a conviction for conduct described in subdivision 1a, state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated;~~

~~(4) identify the types of claims to which the withholding applies; and~~

~~(5) inform the individual or entity of the right to submit written evidence for consideration by the commissioner.~~

~~(d) The withholding or reduction of payments will not continue after the commissioner determines there is insufficient evidence of fraud by the individual or entity, or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon conviction for a crime related to the provision, management, or administration of a health service under medical assistance, a payment held pursuant to this section by the commissioner or a managed care organization that contracts with the commissioner under section 256B.035 is forfeited to the commissioner or managed care organization, regardless of the amount charged in the criminal complaint or the amount of criminal restitution ordered.~~

~~(e) The commissioner shall suspend or terminate an individual's or entity's participation in the program without providing advance notice and an opportunity for a hearing when the suspension or termination is required because of the individual's or entity's exclusion from participation in Medicare. Within five days of taking such action, the commissioner must send notice of the suspension or termination. The notice must:~~

~~(1) state that suspension or termination is the result of the individual's or entity's exclusion from Medicare;~~

~~(2) identify the effective date of the suspension or termination; and~~

~~(3) inform the individual or entity of the need to be reinstated to Medicare before reapplying for participation in the program.~~

~~(f)~~ (b) Upon receipt of a notice under paragraph (a) or subdivision 2c or 2d that a monetary recovery or sanction is to be imposed, an individual or entity may request a contested case, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification of monetary recovery or sanction was mailed to the individual or entity. The appeal request must specify:

(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount involved for each disputed item;

(2) the computation that the individual or entity believes is correct;

(3) the authority in statute or rule upon which the individual or entity relies for each disputed item;

(4) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(5) other information required by the commissioner.

~~(g) The commissioner may order an individual or entity to forfeit a fine for failure to fully document services according to standards in this chapter and Minnesota Rules, chapter 9505. The commissioner may assess fines if specific required components of documentation are missing. The fine for incomplete documentation shall equal 20 percent of the amount paid on the claims for reimbursement submitted by the individual or entity, or up to $5,000, whichever is less. If the commissioner determines that an individual or entity repeatedly violated this chapter,~~

~~chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to the provision of services to program recipients and the submission of claims for payment, the commissioner may order an individual or entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an amount of up to $5,000 or 20 percent of the value of the claims, whichever is greater.~~

~~(h) The individual or entity shall pay the fine assessed on or before the payment date specified. If the individual or entity fails to pay the fine, the commissioner may withhold or reduce payments and recover the amount of the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.~~

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

Sec. 8. Minnesota Statutes 2024, section 256B.064, is amended by adding a subdivision to read:

Subd. 2a. **Imposition of fines.** (a) The commissioner may order an individual or entity to forfeit a fine for failure to fully document services according to standards in this chapter and Minnesota Rules, chapter 9505. The commissioner may assess fines if specific required components of documentation are missing. The fine for incomplete documentation equals 20 percent of the amount paid on the claims for reimbursement submitted by the individual or entity or up to $5,000, whichever is less. If the commissioner determines that an individual or entity repeatedly violated this chapter, chapter 245G or 254B, or Minnesota Rules, chapter 9505, related to the provision of services to program recipients and the submission of claims for payment, the commissioner may order an individual or entity to forfeit a fine based on the nature, severity, and chronicity of the violations in an amount of up to $5,000 or 20 percent of the value of the claims, whichever is greater.

(b) The individual or entity must pay the fine assessed on or before the payment date specified by the commissioner. If the individual or entity fails to pay the fine, the commissioner may withhold or reduce payments and recover the amount of the fine. A timely appeal stays payment of the fine until the commissioner issues a final order.

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

Sec. 9. Minnesota Statutes 2024, section 256B.064, is amended by adding a subdivision to read:

Subd. 2b. **Mandatory suspension or termination after exclusion from participation in Medicare.** (a) The commissioner must suspend or terminate an individual's or entity's participation in the program without providing advance notice and an opportunity for a hearing when the suspension or termination is required because of the individual's or entity's exclusion from participation in Medicare.

(b) Within five days of taking an action under paragraph (a), the commissioner must send notice of the suspension or termination to the individual or entity. The notice must:

(1) state that suspension or termination is the result of the individual's or entity's exclusion from Medicare;

(2) identify the effective date of the suspension or termination; and

(3) inform the individual or entity of the need to be reinstated to Medicare before reapplying for participation in the program.

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

Sec. 10. Minnesota Statutes 2024, section 256B.064, is amended by adding a subdivision to read:

Subd. 2c. **Imposition of withholding or reduction of payments before a hearing.** (a) Except as provided in paragraph (b), the commissioner may withhold or reduce payment to an individual or entity after notice but before a hearing if, in the commissioner's opinion, withholding or reducing payment is necessary to protect the public welfare and the interests of the program.

(b) The commissioner must not withhold or reduce payments to a nursing home or convalescent care facility before a hearing.

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

Sec. 11. Minnesota Statutes 2024, section 256B.064, is amended by adding a subdivision to read:

Subd. 2d. **Imposition of withholding or reduction of payments without prior notice.** (a) Except when the commissioner finds good cause not to suspend payments under Code of Federal Regulations, title 42, section 455.23(e) or (f), the commissioner must withhold or reduce payments to an individual or entity without providing advance notice of the withholding or reduction if either of the following occurs:

(1) the individual or entity is convicted of a crime involving the conduct described in subdivision 1a; or

(2) the commissioner determines there is a credible allegation of fraud for which an investigation is pending under the program. Allegations are considered credible when the allegations have an indicium of reliability and the state agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of fraud is an allegation that has been verified by the state from any source, including but not limited to:

(i) fraud hotline complaints;

(ii) claims data mining; and

(iii) patterns identified through provider audits, civil false claims cases, and law enforcement investigations.

(b) The commissioner must send notice of the withholding or reduction of payments under paragraph (a) within five days of withholding or reducing payment unless requested in writing by a law enforcement agency to temporarily withhold the notice. The notice must:

(1) state that payments are being withheld according to paragraph (a);

(2) set forth the general allegations as to the nature of the withholding action but need not disclose any specific information concerning an ongoing investigation;

(3) except in the case of a conviction for conduct described in subdivision 1a, state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated;

(4) identify the types of claims to which the withholding applies; and

(5) inform the individual or entity of the right to submit written evidence for consideration by the commissioner.

(c) The commissioner must cease the withholding or reduction of payments under this subdivision after the commissioner determines there is insufficient evidence of fraud by the individual or entity or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice of intent to impose monetary recovery or sanctions.

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

Sec. 12. Minnesota Statutes 2024, section 256B.064, is amended by adding a subdivision to read:

Subd. 2e. **Forfeiture of withheld payments upon criminal conviction.** Upon conviction for a crime related to the provision, management, or administration of a health service under medical assistance, a payment held pursuant to this section by the commissioner or a managed care organization that contracts with the commissioner under section 256B.035 is forfeited to the commissioner or managed care organization, regardless of the amount charged in the criminal complaint or the amount of criminal restitution ordered.

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

Sec. 13. Minnesota Statutes 2024, section 256B.064, subdivision 3, is amended to read:

Subd. 3. **Mandates on prohibited payments.** (a) The commissioner ~~shall~~ must maintain and publish a list of each excluded individual and entity that was convicted of a crime related to the provision, management, or administration of a medical assistance health service, or suspended or terminated under subdivision ~~2~~ 2b. Medical assistance payments cannot be made by an individual or entity for items or services furnished either directly or indirectly by an excluded individual or entity, or at the direction of excluded individuals or entities.

(b) The entity must check the exclusion list on a monthly basis and document the date and time the exclusion list was checked and the name and title of the person who checked the exclusion list. The entity must immediately terminate payments to an individual or entity on the exclusion list.

(c) An entity's requirement to check the exclusion list and to terminate payments to individuals or entities on the exclusion list applies to each individual or entity on the exclusion list, even if the named individual or entity is not responsible for direct patient care or direct submission of a claim to medical assistance.

(d) An entity that pays medical assistance program funds to an individual or entity on the exclusion list must refund any payment related to either items or services rendered by an individual or entity on the exclusion list from the date the individual or entity is first paid or the date the individual or entity is placed on the exclusion list, whichever is later, and an entity may be subject to:

(1) sanctions under ~~subdivision 2~~ this section;

(2) a civil monetary penalty of up to $25,000 for each determination by the department that the vendor employed or contracted with an individual or entity on the exclusion list; and

(3) other fines or penalties allowed by law.

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

Sec. 14. Minnesota Statutes 2024, section 256B.064, subdivision 4, is amended to read:

Subd. 4. **Notice.** (a) The department ~~shall~~ must serve the notice required under ~~subdivision~~ subdivisions 2 and 2d using a signature-verified confirmed delivery method to the address submitted to the department by the individual or entity. Service is complete upon mailing.

(b) The department ~~shall~~ must give notice in writing to a recipient placed in the Minnesota restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200. The department ~~shall~~ must send the notice by first class mail to the recipient's current address on file with the department. A recipient placed in the Minnesota restricted recipient program may contest the placement by submitting a written request for a hearing to the department within 90 days of the notice being mailed.

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

Sec. 15. Minnesota Statutes 2024, section 256B.064, subdivision 5, is amended to read:

Subd. 5. **Immunity; good faith reporters.** (a) A person who makes a good faith report is immune from any civil or criminal liability that might otherwise arise from reporting or participating in the investigation. Nothing in this subdivision affects an individual's or entity's responsibility for an overpayment established under this subdivision.

(b) A person employed by a lead investigative agency who is conducting or supervising an investigation or enforcing the law according to the applicable law or rule is immune from any civil or criminal liability that might otherwise arise from the person's actions, if the person is acting in good faith and exercising due care.

(c) For purposes of this subdivision, "person" includes a natural person or any form of a business or legal entity.

(d) After an investigation is complete, the reporter's name must be kept confidential. The subject of the report may compel disclosure of the reporter's name only with the consent of the reporter or upon a written finding by a district court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that when the identity of the reporter is relevant to a criminal prosecution the district court ~~shall~~ must conduct an in-camera review before determining whether to order disclosure of the reporter's identity.

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

Sec. 16. Minnesota Statutes 2024, section 256B.064, is amended by adding a subdivision to read:

Subd. 6. **Application.** This section supersedes any inconsistent or contrary provision of law.

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

ARTICLE 4
MEDICAL ASSISTANCE PROVIDER ENROLLMENT

Section 1. Minnesota Statutes 2024, section 142B.01, subdivision 8, is amended to read:

Subd. 8. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 142B.10, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 8, paragraph (b);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program;

(5) the individual designated as the primary provider of care for a special family child care program under section 142B.41, subdivision 4, paragraph (d); and

(6) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program; receives remuneration from the program; or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 2. Minnesota Statutes 2024, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 8, paragraph (b);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program; and

(5) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 3. Minnesota Statutes 2024, section 245D.081, subdivision 3, is amended to read:

Subd. 3. **Program management and oversight.** (a) The license holder must designate a managerial staff person or persons to provide program management and oversight of the services provided by the license holder. The designated manager is responsible for the following:

(1) maintaining a current understanding of the licensing requirements sufficient to ensure compliance throughout the program as identified in section 245A.04, subdivision 1, paragraph (e), and when applicable, as identified in section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 8;

(2) ensuring the duties of the designated coordinator are fulfilled according to the requirements in subdivision 2;

(3) ensuring the program implements corrective action identified as necessary by the program following review of incident and emergency reports according to the requirements in section 245D.11, subdivision 2, clause (7). An internal review of incident reports of alleged or suspected maltreatment must be conducted according to the requirements in section 245A.65, subdivision 1, paragraph (b);

(4) evaluation of satisfaction of persons served by the program, the person's legal representative, if any, and the case manager, with the service delivery and progress toward accomplishing outcomes identified in sections 245D.07 and 245D.071, and ensuring and protecting each person's rights as identified in section 245D.04;

(5) ensuring staff competency requirements are met according to the requirements in section 245D.09, subdivision 3, and ensuring staff orientation and training is provided according to the requirements in section 245D.09, subdivisions 4, 4a, and 5;

(6) ensuring corrective action is taken when ordered by the commissioner and that the terms and conditions of the license and any variances are met; and

(7) evaluating the information identified in clauses (1) to (6) to develop, document, and implement ongoing program improvements.

(b) The designated manager must be competent to perform the duties as required and must minimally meet the education and training requirements identified in subdivision 2, paragraph (b), and have a minimum of three years of supervisory level experience in a program that provides care or education to vulnerable adults or children.

Sec. 4. Minnesota Statutes 2024, section 256B.04, subdivision 5, is amended to read:

Subd. 5. **Annual report required.** The state agency within 60 days after the close of each fiscal year, shall prepare and print for the fiscal year a report that includes: a full account of the operations and expenditure of funds under this chapter~~,~~; a full account of the activities undertaken in accordance with subdivision 10~~,~~; adequate and complete statistics divided by counties about all medical assistance provided in accordance with this chapter~~,~~; a full account of all pre-enrollment, postenrollment, and unannounced site visits to providers under section 256B.044, subdivision 5; and any other information it may deem advisable.

Sec. 5. Minnesota Statutes 2025 Supplement, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** ~~(a)~~ The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E, and sections 256B.044 to 256B.0445.

~~A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).~~

~~(b) The commissioner shall revalidate:~~

~~(1) each provider under this subdivision at least once every five years;~~

~~(2) each personal care assistance agency, CFSS provider agency, and CFSS financial management services provider under this subdivision at least once every three years;~~

~~(3) each EIDBI agency under this subdivision at least once every three years; and~~

~~(4) at the commissioner's discretion, any medical assistance only provider type the commissioner deems "high risk" under this subdivision.~~

~~(c) The commissioner shall conduct revalidation as follows:~~

~~(1) provide 30 day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;~~

~~(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and~~

~~(3) if a provider fails to remedy a deficiency within the 30 day time period, give 60 day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.~~

~~(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.~~

~~(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.~~

~~(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90 day period. The withholding for each provider must begin on the date of the first submission of a claim.~~

~~(g) An enrolled provider that is also licensed by the commissioner under chapter~~ 245A, ~~is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter~~ 144G ~~and has a home and community based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:~~

~~(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;~~

~~(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);~~

~~(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;~~

~~(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;~~

~~(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and~~

~~(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.~~

~~The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.~~

~~(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the~~

~~commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.~~

~~(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:~~

~~(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;~~

~~(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and~~

~~(3) serves primarily a pediatric population.~~

~~(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.~~

~~(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high risk for fraud, waste, or abuse.~~

~~(l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.~~

~~(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.~~

~~(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.~~

~~(m) The Department of Human Services may require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the provider or category of providers is designated high-risk pursuant to paragraph (f) and as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider currently maintains a surety bond under the requirements in section 256B.051, 256B.0659, 256B.0701, or 256B.85.~~

Sec. 6. **[256B.044] PROVIDER ENROLLMENT.**

Subdivision 1. **Designating categorical risk levels.** (a) The commissioner must designate provider types as "limited-risk," "moderate-risk," or "high-risk" based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The commissioner must publish a list of provider types and designated categorical risk levels in the Minnesota Health Care Program Provider Manual.

(b) The list and criteria are not subject to the requirements of chapter 14, and section 14.386 does not apply.

(c) The commissioner's designations are not subject to administrative appeal.

Subd. 2. **Required verifications and checks.** The commissioner must perform the following verifications and checks prior to making an enrollment determination and periodically thereafter:

(1) verify that the provider meets applicable federal and state requirements for the provider type;

(2) conduct license verifications, as applicable, including verification of current licensure in Minnesota and in any other state in which the provider is or was previously licensed, in accordance with Code of Federal Regulations, title 42, section 455.412;

(3) conduct database checks on a pre-enrollment and postenrollment basis to ensure that the provider continues to meet the enrollment criteria for the provider type, in accordance with Code of Federal Regulations, title 42, section 455.436;

(4) confirm that the provider and any disclosed owners, managing employees, or controlling individuals are not excluded from participation in any state's Medicaid program, Medicare, or any other federal health care program;

(5) verify the provider's National Provider Identifier and, as applicable, Medicare enrollment status;

(6) verify the provider's tax identification number and business registration status;

(7) verify the provider's ownership and control disclosures as required under federal law; and

(8) conduct any additional screenings, verifications, or reviews that are necessary to protect the integrity of the medical assistance program or that are required under federal law.

Subd. 3. **Required background studies.** (a) The commissioner must conduct a background study under chapter 245C, for a provider applying for enrollment. The background study must include a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), and any other databases required under federal law.

(b) The commissioner must conduct a background study under this subdivision for each individual with an ownership or control interest in, or who is an officer, director, agent, managing employee, or other person with operational or managerial control of the provider.

(c) Fingerprint-based studies are required when mandated by federal law or when a provider is designated moderate-risk or high-risk under subdivision 1.

(d) The commissioner may conduct background studies postenrollment as necessary.

(e) A provider's failure to submit to the commissioner the information required for a background study under this subdivision is grounds for denial or termination of enrollment in medical assistance.

(f) A provider's enrollment must be denied or terminated if a provider or individual subject to a background study under this subdivision is disqualified under chapter 245C or is excluded from participating in any federal health care programs.

Subd. 4. **Service location enrollment.** (a) A provider must enroll each provider-controlled location where direct services are provided. "Provider-controlled location" means a physical site owned, leased, operated, or otherwise controlled by the provider.

(b) Providers must report all provider-controlled locations where direct services are provided to the commissioner and obtain approval before billing for services provided at a new location.

(c) Separate enrollment is not required for services provided in a recipient's home or community setting, telehealth services delivered from an enrolled site, compliant mobile services, or other federally permissible exemptions.

(d) A provider's failure to enroll each provider-controlled location where direct services are provided is grounds for sanctions under section 256B.064.

Subd. 5. **Site visits.** (a) As a condition of enrollment in medical assistance, the commissioner shall require that a provider permit the Centers for Medicare and Medicaid Services (CMS), CMS's agents, or CMS's designated contractors and the Department of Human Services (DHS), DHS's agents, or DHS's designated contractors to conduct unannounced site visits of any of a provider's enrolled locations.

(b) At a minimum, the commissioner must conduct the following site visits at each of a provider's enrolled locations:

(1) pre-enrollment site visits for providers designated as moderate-risk or high-risk under subdivision 1;

(2) postenrollment site visits for providers designated as moderate-risk or high-risk under subdivision 1; and

(3) unannounced site visits, as follows:

(i) prior to payment of the provider's first claim after enrollment, when required under federal law or due to program integrity concerns;

(ii) within 12 months after the provider begins to bill claims; and

(iii) prior to revalidation under section 256B.0441, subdivision 3.

(c) The commissioner may conduct additional announced or unannounced site visits when necessary to verify compliance with enrollment requirements or to protect program integrity.

(d) A provider's failure to permit a required site visit is grounds for denial, suspension, or termination of enrollment and may result in denial of claims or recoupment of payments.

Subd. 6. **Surety bonds.** (a) The commissioner must require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, revalidation, reinstatement, or continued enrollment if:

(1) the provider fails to demonstrate financial viability;

(2) the commissioner determines there is significant evidence of or potential for fraud and abuse by the provider; or

(3) the provider or category of providers is designated high-risk pursuant to subdivision 1.

(b) The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name DHS as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond.

(c) This subdivision does not apply if the provider currently maintains a surety bond under the requirements in section 256B.051, 256B.0659, 256B.0701, or 256B.85.

Subd. 7. **Financial capacity.** As a condition of enrolling in medical assistance, the commissioner must require, in a form and manner prescribed by the commissioner, that a provider demonstrate sufficient financial capacity to operate, repay improper payments, and make payroll for 90 days.

Subd. 8. **Compliance programs.** (a) The commissioner may require, as a condition of enrollment in medical assistance, that a provider in a particular industry, of a particular provider type, or with a particular risk categorization under subdivision 1, establish and maintain a compliance program consistent with federal program integrity guidance issued by CMS or the United States Department of Health and Human Services Office of Inspector General.

(b) If an enrolled provider is required by the commissioner or by federal or state law to designate an individual as the provider's compliance officer, the provider must appoint an individual responsible for implementing and overseeing the compliance program.

(c) At a minimum, the compliance program must include policies and procedures designed to:

(1) ensure adherence to federal and state laws and program requirements governing medical assistance and prevent the submission of improper claims;

(2) train employees, agents, contractors, and subcontractors, including billing personnel, on applicable federal and state laws and program requirements;

(3) establish procedures for receiving, investigating, and responding to allegations of improper conduct and for implementing corrective actions;

(4) use auditing, monitoring, or other evaluation techniques to assess ongoing compliance;

(5) promptly report to the commissioner any credible evidence of violations of federal and state laws or regulations governing medical assistance; and

(6) report and return identified medical assistance overpayments within 60 days after discovery or by the date any corresponding cost report is due, whichever is later, in accordance with federal law.

Subd. 9. **Incomplete provider enrollment applications.** The commissioner must deny a provider's incomplete enrollment application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request.

Subd. 10. **Correspondence and notification.** The commissioner must deliver correspondence and notifications, including notifications of termination and other actions, electronically to a provider's MN-ITS mailbox. This subdivision does not apply to correspondences and notifications related to background studies.

Sec. 7. **[256B.0441] PROVIDER REVALIDATION.**

Subdivision 1. **Requirement.** The commissioner must revalidate each enrolled provider according to this section.

Subd. 2. **Schedule.** (a) The commissioner shall revalidate:

(1) each provider at least once every five years;

(2) each personal care assistance agency, community first services and supports (CFSS) provider-agency, and CFSS financial management services provider at least once every three years;

(3) each EIDBI agency at least once every three years; and

(4) each medical-assistance-only provider type the commissioner deems high-risk under section 256B.044, subdivision 1, at least every three years.

(b) The commissioner must conduct revalidation of a provider more frequently when required under federal law or when necessary to protect program integrity.

Subd. 3. **Procedures.** (a) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice to the provider of the provider's revalidation due date, including instructions for revalidation, a list of materials the provider must submit, and a notice about the unannounced site visit required under paragraph (b);

(2) if a provider fails to submit all required materials or satisfy the requirements of paragraph (b) by the due date, notify the provider of the deficiency within 14 days after the due date and allow the provider an additional 14 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the additional 28-day time period, give 15 days' notice of termination and immediately suspend the provider's ability to bill. The commissioner's decision to suspend the provider's ability to bill is not subject to an administrative appeal.

(b) The commissioner must conduct unannounced site visits at each of a provider's enrolled locations under section 256B.044, subdivision 4, no more than 30 days prior to the provider's revalidation due date.

(c) A provider must demonstrate financial capacity, as described under section 256B.044, subdivision 7, as a requirement of revalidation under this subdivision.

Sec. 8. **[256B.0442] PROVIDER ENROLLMENT SUSPENSIONS AND TERMINATIONS.**

Subdivision 1. **Suspension of billing privileges.** (a) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner must suspend the provider's ability to bill until the provider comes into compliance.

(b) Notwithstanding any law to the contrary, the commissioner may immediately impose a suspension under this subdivision when necessary to protect public funds or ensure program integrity.

(c) A suspension under this subdivision does not limit the authority of the commissioner to issue any other sanction authorized under federal or state law.

(d) The commissioner's decision to suspend a provider's ability to bill is not subject to an administrative appeal.

Subd. 2. **Revocation for lack of documentation.** (a) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by the provider when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion.

(b) Nothing in this subdivision limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

Subd. 3. **Mandatory denial or termination of enrollment.** (a) The commissioner must terminate or deny the enrollment of a provider when:

(1) an individual with a five percent or greater direct or indirect ownership interest in the provider does not submit timely and accurate information and cooperate with the screening methods required under section 256B.044;

(2) an individual with a five percent or greater direct or indirect ownership interest in the provider has been convicted of a criminal offense related to the individual's involvement in Medicare, Medicaid, or the Children's Health Insurance Program in the last ten years, unless the commissioner determines that denial or termination of enrollment is not in the best interests of the medical assistance program and the commissioner documents that determination in writing;

(3) the provider or an individual was terminated from participation in Medicare on or after January 1, 2011, or under a Medicaid program or Children's Health Insurance Program of any other state, and is currently included in the termination database under Code of Federal Regulations, title 42, section 455.417, except as provided in paragraph (b);

(4) the provider, or an individual with an ownership or control interest or who is an agent or managing employee of the provider, fails to submit timely or accurate information, unless the commissioner determines that termination or denial of enrollment is not in the best interests of the medical assistance program and the commissioner documents that determination in writing;

(5) the provider, or an individual with a five percent or greater direct or indirect ownership interest in the provider, fails to submit sets of fingerprints in a form and manner determined by the commissioner within 30 days of a request from Centers for Medicare and Medicaid Services (CMS) or the commissioner, unless the commissioner determines that termination or denial of enrollment is not in the best interests of the medical assistance program and the commissioner documents that determination in writing;

(6) the provider fails to permit access to provider locations for any site visits under section 256B.044, subdivision 5, unless the commissioner determines that termination or denial of enrollment is not in the best interests of the medical assistance program and the commissioner documents that determination in writing; or

(7) CMS or the commissioner determines that the provider has falsified any information provided on the application or cannot verify the identity of any provider applicant.

(b) The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under paragraph (a), clause (3), if the agency:

(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;

(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and

(3) serves primarily a pediatric population.

Sec. 9. **[256B.0443] PROVIDER PAYMENT WITHHOLDS.**

(a) If the commissioner or the Centers for Medicare and Medicaid Services designate a provider type as high-risk under section 256B.044, subdivision 1, the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period.

(b) The withholding for each provider must begin on the date of the first submission of a claim.

Sec. 10. **[256B.0444] ENROLLMENT MORATORIUM FOR HIGH-RISK PROVIDERS.**

Subdivision 1. **Provider enrollment moratorium.** (a) If the commissioner or the Centers for Medicare and Medicaid Services (CMS) designates a provider type as high-risk under section 256B.044, subdivision 1, the commissioner may issue a statewide or regional enrollment moratorium and stop accepting and processing applications from providers within that category within 30 days of the date of the designation or upon federal approval of the moratorium, whichever is later. A moratorium issued under this section is effective for a period of up to 24 months from the date the moratorium is issued.

(b) Before ending the moratorium under this section, the commissioner must revalidate the enrollment of each provider within the affected category in accordance with the revalidation procedures under section 256B.0441, subdivision 3.

Subd. 2. **Continued enrollment of new clients.** Nothing in this section prohibits an enrolled provider subject to a moratorium under this section from enrolling new clients or beneficiaries during the period of the enrollment moratorium.

Subd. 3. **Notice.** At least ten days prior to issuing an enrollment moratorium under this section, the commissioner must notify enrolled providers within the affected category and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services about the actions the commissioner plans to take under this section. The notice must:

(1) include a list of provider types to which the moratorium applies;

(2) provide a general explanation for the basis of the high-risk designation; and

(3) identify the start dates and anticipated durations of the enrollment moratorium.

Subd. 4. **Report to legislature.** Within 60 days of ending an enrollment moratorium under this section, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services. The report must include, at a minimum:

(1) a summary of any sanctions imposed under section 256B.064 on any providers subject to the moratorium; and

(2) recommendations for modifying or terminating the provision of covered services delivered by provider types subject to the moratorium.

Sec. 11. **[256B.0445] ADDITIONAL PROVIDER ENROLLMENT REQUIREMENTS FOR SPECIFIC PROVIDER TYPES.**

Subdivision 1. **Durable medical equipment provider or supplier.** (a) For the purposes of this subdivision, "durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rent to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rent.

(b) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies medical suppliers meeting the durable medical equipment provider or supplier definition in paragraph (a), operating in Minnesota, and receiving medical assistance money must purchase a surety bond that is annually renewed, designates the state agency as the obligee, and is submitted in a form approved by the commissioner. For purposes of this paragraph, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(c) At the time of initial enrollment or reenrollment, durable medical equipment providers or suppliers defined in paragraph (a) must purchase a surety bond of $50,000. If a revalidating provider's medical assistance revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's medical assistance revenue in the previous calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.

Subd. 2. **Providers licensed by the commissioner of human services.** An enrolled provider that is licensed by the commissioner under chapter 245A must designate an individual as the licensee's compliance officer under section 256B.044, subdivision 8, paragraph (b).

Subd. 3. **Providers licensed by the commissioner of health.** An enrolled provider that is licensed by the commissioner of health as a home care provider under chapter 144A with a home and community-based services designation under section 144A.484 on the home care license, or as an assisted living facility under chapter 144G, must designate an individual as the licensee's compliance officer under section 256B.044, subdivision 8, paragraph (b).

Sec. 12. Minnesota Statutes 2025 Supplement, section 256B.0759, subdivision 4, is amended to read:

Subd. 4. **Provider payment rates.** (a) Payment rates for participating providers must be increased for services provided to medical assistance enrollees. To receive a rate increase, participating providers must meet demonstration project requirements and provide evidence of formal referral arrangements with providers delivering step-up or step-down levels of care. Providers that have enrolled in the demonstration project but have not met the provider standards under subdivision 3 as of July 1, 2022, are not eligible for a rate increase under this subdivision until the date that the provider meets the provider standards in subdivision 3. Services provided from July 1, 2022, to the date that the provider meets the provider standards under subdivision 3 shall be reimbursed at rates according to section 254B.0505, subdivision 1. Rate increases paid under this subdivision to a provider for services provided between July 1, 2021, and July 1, 2022, are not subject to recoupment when the provider is taking meaningful steps to meet demonstration project requirements that are not otherwise required by law, and the provider provides documentation to the commissioner, upon request, of the steps being taken.

(b) The commissioner may temporarily suspend payments to the provider according to section ~~256B.04, subdivision 21, paragraph (d)~~ 256B.0442, subdivision 1, if the provider does not meet the requirements in paragraph (a). Payments withheld from the provider must be made once the commissioner determines that the requirements in paragraph (a) are met.

(c) For outpatient individual and group substance use disorder services under section 254B.0505, subdivision 1, clause (1), and adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18, provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020.

(d) Effective January 1, 2021, and contingent on annual federal approval, managed care plans and county-based purchasing plans must reimburse providers of the substance use disorder services meeting the criteria described in paragraph (a) who are employed by or under contract with the plan an amount that is at least equal to the fee-for-service base rate payment for the substance use disorder services described in paragraph (c). The commissioner must monitor the effect of this requirement on the rate of access to substance use disorder services and residential substance use disorder rates. Capitation rates paid to managed care organizations and county-based purchasing plans must reflect the impact of this requirement. This paragraph expires if federal approval is not received at any time as required under this paragraph.

(e) Effective July 1, 2021, contracts between managed care plans and county-based purchasing plans and providers to whom paragraph (d) applies must allow recovery of payments from those providers if, for any contract year, federal approval for the provisions of paragraph (d) is not received, and capitation rates are adjusted as a result. Payment recoveries must not exceed the amount equal to any decrease in rates that results from this provision.

(f) For substance use disorder services with medications for opioid use disorder under section 254B.0505, subdivision 1, clause (7), provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020. Upon implementation of new rates according to section 254B.121, the 20 percent increase will no longer apply.

Sec. 13. Minnesota Statutes 2025 Supplement, section 256B.0949, subdivision 16, is amended to read:

Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section must:

(1) enroll as a medical assistance Minnesota health care program provider according to Minnesota Rules, part 9505.0195, and ~~section 256B.04, subdivision 21~~ sections 256B.044 to 256B.0445, and meet all applicable provider standards and requirements;

(2) designate an individual as the agency's compliance officer who must perform the duties described in section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 8, paragraph (b);

(3) demonstrate compliance with federal and state laws for the delivery of and billing for EIDBI service;

(4) verify and maintain records of a service provided to the person or the person's legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

(5) demonstrate that while enrolled or seeking enrollment as a Minnesota health care program provider the agency did not have a lead agency contract or provider agreement discontinued because of a conviction of fraud; or did not have an owner, board member, or manager fail a state or federal criminal background check or appear on the list of excluded individuals or entities maintained by the federal Department of Human Services Office of Inspector General;

(6) have established business practices including written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services, appropriately submit claims, conduct required staff training, document staff qualifications, document service activities, and document service quality;

(7) have an office located in Minnesota or a border state;

(8) initiate a background study as required under subdivision 16a;

(9) report maltreatment according to section 626.557 and chapter 260E;

(10) comply with any data requests consistent with the Minnesota Government Data Practices Act, sections 256B.064 and 256B.27;

(11) provide training for all agency staff on the requirements and responsibilities listed in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act, section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to report suspected abuse and neglect;

(12) have a written policy to resolve issues collaboratively with the person and the person's legal representative when possible. The policy must include a timeline for when the person and the person's legal representative will be notified about issues that arise in the provision of services;

(13) provide the person's legal representative with prompt notification if the person is injured while being served by the agency. An incident report must be completed by the agency staff member in charge of the person. A copy of all incident and injury reports must remain on file at the agency for at least five years from the report of the incident;

(14) before starting a service, provide the person or the person's legal representative a description of the treatment modality that the person shall receive, including the staffing certification levels and training of the staff who shall provide a treatment;

(15) provide clinical supervision for a minimum of one hour for every 16 hours of direct treatment per person, unless otherwise authorized in the person's individual treatment plan; and

(16) provide required EIDBI intervention observation and direction at least once per month. Notwithstanding subdivision 13, paragraph (l), required EIDBI intervention observation and direction under this clause may be conducted via telehealth provided that no more than two consecutive monthly required EIDBI intervention observation and direction sessions under this clause are conducted via telehealth.

(b) Upon request of the commissioner, an agency delivering services under this section must:

(1) identify the agency's controlling individuals, as defined under section 245A.02, subdivision 5a;

(2) provide disclosures of the use of billing agencies and other consultants who do not provide EIDBI services; and

(3) provide copies of any contracts with consultants or independent contractors who do not provide EIDBI services, including hours contracted and responsibilities.

(c) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:

(1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;

(2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and

(3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 14. Minnesota Statutes 2024, section 256B.0949, subdivision 17, is amended to read:

Subd. 17. **Provider shortage; authority for exceptions.** (a) In consultation with the Early Intensive Developmental and Behavioral Intervention Advisory Council and stakeholders, including agencies, professionals, parents of people with ASD or a related condition, and advocacy organizations, the commissioner shall determine if a shortage of EIDBI providers exists. For the purposes of this subdivision, "shortage of EIDBI providers" means a lack of availability of providers who meet the EIDBI provider qualification requirements under subdivision 15 that results in the delay of access to timely services under this section, or that significantly impairs the ability of a provider agency to have sufficient providers to meet the requirements of this section. The commissioner shall consider geographic factors when determining the prevalence of a shortage. The commissioner may determine that a shortage exists only in a specific region of the state, multiple regions of the state, or statewide. The commissioner shall also consider the availability of various types of treatment modalities covered under this section.

(b) The commissioner, in consultation with the Early Intensive Developmental and Behavioral Intervention Advisory Council and stakeholders, must establish processes and criteria for granting an exception under this paragraph. The commissioner may grant an exception only if the exception would not compromise a person's safety and not diminish the effectiveness of the treatment. The commissioner may establish an expiration date for an exception granted under this paragraph. The commissioner may grant an exception for the following:

(1) EIDBI provider qualifications under this section;

(2) medical assistance provider enrollment requirements under ~~section 256B.04, subdivision 21~~ sections 256B.044 to 256B.0445; or

(3) EIDBI provider or agency standards or requirements.

(c) If the commissioner, in consultation with the Early Intensive Developmental and Behavioral Intervention Advisory Council and stakeholders, determines that a shortage no longer exists, the commissioner must submit a notice that a shortage no longer exists to the chairs and ranking minority members of the senate and the house of representatives committees with jurisdiction over health and human services. The commissioner must post the notice for public comment for 30 days. The commissioner shall consider public comments before submitting to the legislature a request to end the shortage declaration. The commissioner shall not declare the shortage of EIDBI providers ended without direction from the legislature to declare it ended.

ARTICLE 5
AGING AND DISABILITY SERVICES POLICY

Section 1. Minnesota Statutes 2024, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, which does not include child foster residence settings with residential program certifications for compliance with the Family First Prevention Services Act under section 245A.25, subdivision 1, paragraph (a), or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a child foster residence setting that was previously exempt from the licensing moratorium under this paragraph has its Family First Prevention Services Act certification rescinded under section 245A.25, subdivision 9, or if a family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

~~(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);~~

~~(3)~~ (2) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24; or

~~(4)~~ (3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care~~; or~~.

~~(5) new community residential setting licenses determined necessary by the commissioner for people affected by the closure of homes with a capacity of five or six beds currently licensed as supervised living facilities licensed under Minnesota Rules, chapter 4665, but not designated as intermediate care facilities. This exception is available until June 30, 2025.~~

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) must be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information must be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

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

Sec. 2. Minnesota Statutes 2025 Supplement, section 245D.091, subdivision 2, is amended to read:

Subd. 2. **Positive support professional qualifications.** A positive support professional providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) ethical considerations;

(2) functional assessment;

(3) functional analysis;

(4) measurement of behavior and interpretation of data;

(5) selecting intervention outcomes and strategies;

(6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;

(7) data collection;

(8) staff and caregiver training;

(9) support plan monitoring;

(10) co-occurring mental disorders or neurocognitive disorder;

(11) demonstrated expertise with populations being served; and

(12) must be a:

(i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the above identified areas;

(ii) clinical social worker licensed as an independent clinical social worker under chapter 148E, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the areas identified in clauses (1) to (11);

(iii) physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry with competencies in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections ~~148B.29 to 148B.39~~ 148B.5301 and 148B.532 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11);

(vi) person with a master's degree or PhD in one of the behavioral sciences or related fields with demonstrated expertise in positive support services, as determined by the person's needs as outlined in the person's assessment summary;

(vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services; or

(viii) person who has completed a competency-based training program as determined by the commissioner.

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 245D.091, subdivision 3, is amended to read:

Subd. 3. **Positive support analyst qualifications.** (a) A positive support analyst providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must satisfy one of the following requirements as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) have obtained a baccalaureate degree, master's degree, or PhD in either a social services discipline or nursing;

(2) meet the qualifications of a mental health practitioner as defined in section 245.462, subdivision 17;

(3) be a ~~board-certified~~ licensed behavior analyst or a board-certified assistant behavior analyst certified by the Behavior Analyst Certification Board, Incorporated; or

(4) have completed a competency-based training program as determined by the commissioner.

(b) In addition, a positive support analyst must:

(1) either have two years of supervised experience conducting functional behavior assessments and designing, implementing, and evaluating effectiveness of positive practices behavior support strategies for people who exhibit challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder, or for those who have obtained a baccalaureate degree in one of the behavioral sciences or related fields, demonstrated expertise in positive support services;

(2) have received training prior to hire or within 90 calendar days of hire that includes:

(i) ten hours of instruction in functional assessment and functional analysis;

(ii) 20 hours of instruction in the understanding of the function of behavior;

(iii) ten hours of instruction on design of positive practices behavior support strategies;

(iv) 20 hours of instruction preparing written intervention strategies, designing data collection protocols, training other staff to implement positive practice strategies, summarizing and reporting program evaluation data, analyzing program evaluation data to identify design flaws in behavioral interventions or failures in implementation fidelity, and recommending enhancements based on evaluation data; and

(v) eight hours of instruction on principles of person-centered thinking;

(3) be determined by a positive support professional to have the training and prerequisite skills required to provide positive practice strategies as well as behavior reduction approved and permitted intervention to the person who receives positive support; and

(4) be under the direct supervision of a positive support professional.

(c) Meeting the qualifications for a positive support professional under subdivision 2 shall substitute for meeting the qualifications listed in paragraph (b).

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

Sec. 4. Minnesota Statutes 2024, section 256.9752, as amended by Laws 2025, First Special Session chapter 9, article 1, sections 6 and 7, is amended to read:

256.9752 SENIOR NUTRITION PROGRAMS.

Subdivision 1. **Program goals.** It is the goal of all area agencies on aging and senior nutrition programs to support the physical and mental health of ~~seniors~~ older adults living in the community by:

(1) promoting nutrition programs that serve ~~senior citizens~~ older adults in their homes and communities; ~~and~~

(2) providing, within the limit of funds available, the support services that will enable ~~the senior citizen~~ each older adult to access nutrition programs in the most cost-effective and efficient manner~~.~~; and

(3) coordinating with health and long-term care systems, emergency preparedness systems, and other systems and stakeholders that support the health and wellness of older adults.

Subd. 1a. **Food delivery support account; appropriation.** (a) A food delivery support account is established in the special revenue fund. The account consists of funds under section 174.49, subdivision 2, and as 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 of human services for grants to nonprofit organizations to provide transportation of home-delivered meals, groceries, purchased food, or a combination, to Minnesotans who are experiencing food insecurity and have difficulty obtaining or preparing meals due to limited mobility, disability, age, or resources to prepare their own meals. A nonprofit organization must have a demonstrated history of providing and distributing food customized for the population that they serve.

(c) Grant funds under this subdivision must supplement, but not supplant, any state or federal funding used to provide prepared meals to Minnesotans experiencing food insecurity.

Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies on aging the state nutrition support and food delivery support funds and the federal funds ~~which~~ that are received for ~~the~~ senior nutrition programs ~~of congregate dining and home-delivered meals~~ in a manner consistent with the board's intrastate funding formula.

Subd. 3. **Nutrition support services.** (a) Funds allocated to an area agency on aging for nutrition support services may be used for the following, as determined appropriate by the area agency on aging to address the needs of older adults in the agency's planning and service area:

(1) transportation of home-delivered meals and purchased food and medications to the residence of ~~a senior citizen~~ an older adult;

(2) expansion of home-delivered meals into unserved and underserved areas;

(3) transportation of older adults to ~~supermarkets~~ grocery stores or delivery of groceries ~~from supermarkets~~ to homes of older adults;

(4) vouchers for food purchases at selected restaurants in isolated rural areas;

(5) the Supplemental Nutrition Assistance Program (SNAP) outreach;

(6) transportation of ~~seniors~~ older adults to congregate dining sites;

(7) nutrition screening assessments and counseling as needed by individuals with special dietary needs, performed by a licensed dietitian or nutritionist;

(8) medically tailored meals;

~~(8)~~ (9) other appropriate services ~~which~~ and tools that support senior nutrition programs, including new service delivery models and technology; and

~~(9)~~ (10) development and implementation of innovative models ~~of providing~~ to provide healthy and nutritious ~~meals to seniors~~ food to older adults, including through partnerships with schools, restaurants, hospitals, food shelves and food pantries, farmers, and other community partners.

(b) An area agency on aging may transfer unused funding for nutrition support services to fund congregate dining services and home-delivered meals.

(c) State funds under this subdivision are subject to federal requirements in accordance with the Minnesota Board on Aging's intrastate funding formula.

Sec. 5. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 77. **Early intensive developmental and behavioral intervention benefit.** Medical assistance covers early intensive developmental and behavioral intervention services according to section 256B.0949.

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

Sec. 6. Minnesota Statutes 2025 Supplement, section 256B.0911, subdivision 13, is amended to read:

Subd. 13. **MnCHOICES assessor qualifications, training, and certification.** (a) The commissioner shall develop and implement a curriculum and an assessor certification process.

(b) MnCHOICES certified assessors must have received training and certification specific to assessment and consultation for long-term care services in the state and either:

(1) have at least an associate's degree in human services, or other closely related field;

(2) have at least an associate's degree in nursing with a public health nursing certificate, or other closely related field; or

(3) be a registered nurse.

(c) Certified assessors shall demonstrate best practices in assessment and support planning, including person-centered planning principles, and have a common set of skills that ensures consistency and equitable access to services statewide.

(d) Certified assessors must be recertified every three years.

(e) A Tribal Nation may establish the Tribal Nation's own education and experience qualifications for certified assessors.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 7. Minnesota Statutes 2024, section 256B.0911, subdivision 32, is amended to read:

Subd. 32. **Administrative activity.** (a) The commissioner shall:

(1) streamline the processes, including timelines for when assessments need to be completed;

(2) provide the services in this section; and

(3) implement integrated solutions to automate the business processes to the extent necessary for support plan approval, reimbursement, program planning, evaluation, and policy development.

(b) The commissioner shall work with lead agencies responsible for conducting long-term care consultation services to:

~~(1)~~ modify the MnCHOICES application and assessment policies to create efficiencies while ensuring federal compliance with medical assistance and long-term services and supports eligibility criteria~~; and~~.

~~(2) develop a set of measurable benchmarks sufficient to demonstrate quarterly improvement in the average time per assessment and other mutually agreed upon measures of increasing efficiency.~~

~~(c) The commissioner shall collect data on the benchmarks developed under paragraph (b) and provide to the lead agencies an annual trend analysis of the data in order to demonstrate the commissioner's compliance with the requirements of this subdivision.~~

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

Sec. 8. Minnesota Statutes 2024, section 256B.0924, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Persons are eligible to receive targeted case management services under this section if the requirements in paragraphs (a) and (b) are met.

(a) The person must be assessed and determined by the local county or Tribal agency to:

(1) be age 18 or older;

(2) be receiving medical assistance;

(3) have significant functional limitations; and

(4) be in need of service coordination to attain or maintain living in an integrated community setting.

(b) Except as permitted under paragraph (c), the person must be: (1) a vulnerable adult in need of adult protection as defined in section 626.5572~~, or is~~; (2) an adult with a developmental disability as defined in section 252A.02, subdivision 2~~, or~~; (3) an adult with a related condition as defined in section 256B.02, subdivision 11, ~~and~~ who is not receiving home and community-based waiver services~~,~~; or ~~is~~ (4) an adult who lacks a permanent residence and who has been without a permanent residence for at least one year or on at least four occasions in the last three years.

(c) Tribal agencies may make a determination of eligibility under Tribal governance codes for adult protection or policy procedures consistent with section 626.5572 when determining whether a person is a vulnerable adult in need of adult protection or an adult with developmental disabilities or a related condition.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 9. Minnesota Statutes 2024, section 256B.0924, subdivision 5, is amended to read:

Subd. 5. **Provider standards.** County boards ~~or,~~ providers who contract with the county, or Tribal government contracted providers are eligible to receive medical assistance reimbursement for adult targeted case management services. To qualify as a provider of targeted case management services the vendor must:

(1) have demonstrated the capacity and experience to provide the activities of case management services defined in subdivision 4;

(2) be able to coordinate and link community resources needed by the recipient;

(3) have the administrative capacity and experience to serve the eligible population in providing services and to ensure quality of services under state and federal requirements;

(4) have a financial management system that provides accurate documentation of services and costs under state and federal requirements;

(5) have the capacity to document and maintain individual case records complying with state and federal requirements;

(6) coordinate with county social ~~service~~ services or Tribal human services agencies responsible for planning for community social services under chapters 256E and 256F; conducting adult protective investigations under section 626.557, and conducting prepetition screenings for commitments under section 253B.07;

(7) coordinate with health care providers to ensure access to necessary health care services;

(8) have a procedure in place that notifies the recipient and the recipient's legal representative of any conflict of interest if the contracted targeted case management service provider also provides the recipient's services and supports and provides information on all potential conflicts of interest and obtains the recipient's informed consent and provides the recipient with alternatives; and

(9) have demonstrated the capacity to achieve the following performance outcomes: access, quality, and consumer satisfaction.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 10. Minnesota Statutes 2024, section 256B.0924, is amended by adding a subdivision to read:

Subd. 5a. **Tribal case manager qualifications.** An individual is authorized to serve as a vulnerable adult and developmental disability targeted case manager if the individual is certified by a federally recognized Tribal government in Minnesota pursuant to section 256B.02, subdivision 7, paragraph (c).

Sec. 11. Minnesota Statutes 2025 Supplement, section 256B.0924, subdivision 6, is amended to read:

Subd. 6. **Payment for targeted case management.** (a) Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment for an eligible adult, the provider must document at least one contact per month and not more than two consecutive months without a face-to-face contact either in person or by interactive video that meets the requirements in section 256B.0625, subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver, or other relevant persons identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Except as provided under paragraph (m), payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20~~, except for calendar year 2002~~. ~~In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001.~~ Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2. Payment for case management provided by vendors who contract with a Tribe must be made in accordance with Indian Health Service facility requirements. If a Tribe chooses to contract with a vendor receiving payment not through an Indian Health Service facility, the rate must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or Tribe, except to reimburse the county or Tribe for advance funding provided by the county or Tribe to the vendor.

(d) If the service is provided by a team that includes any combination of contracted vendors ~~and,~~ county staff, and Tribal staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county and Tribal case managers may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, ~~the county~~ each entity must document~~, in the recipient's file,~~ the need for team targeted case management and a description of the different roles of ~~the team members~~ staff.

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a Tribal agency, the recipient's Tribe must provide the nonfederal share of costs, if any.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, or Tribe when applicable, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Payments to counties and Tribes for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county or Tribal payments for the cost of case management services provided by county or Tribal staff shall not be made to the commissioner of management and budget. For the purposes of targeted case management services provided by county or Tribal staff under this section, the centralized disbursement of payments to counties or Tribes under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties or Tribes.

(m) The commissioner may make payments for Tribes according to section 256B.0625, subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable adult and developmental disability targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 12. Minnesota Statutes 2024, section 256B.0924, subdivision 7, is amended to read:

Subd. 7. **Implementation and evaluation.** The commissioner of human services in consultation with county boards and Tribal Nations shall establish a program to accomplish the provisions of subdivisions 1 to 6. The commissioner in consultation with county boards and Tribal Nations shall establish performance measures to evaluate the effectiveness of the targeted case management services. If a county or Tribe fails to meet agreed-upon performance measures, the commissioner may authorize contracted providers other than the county or Tribe. Providers contracted by the commissioner shall also be subject to the standards in subdivision 6.

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

Sec. 13. Minnesota Statutes 2025 Supplement, section 256B.0949, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given in this subdivision.

(b) "Advanced certification" means a person who has completed advanced certification in an approved modality under subdivision 13, paragraph (b).

(c) "Agency" means the legal entity that is enrolled with Minnesota health care programs as a medical assistance provider according to Minnesota Rules, part 9505.0195, to provide EIDBI services and that has the legal responsibility to ensure that its employees carry out the responsibilities defined in this section. Agency includes a licensed individual professional who practices independently and acts as an agency.

(d) "Autism spectrum disorder or a related condition" or "ASD or a related condition" means either autism spectrum disorder (ASD) as defined in the current version of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or a condition that is found to be closely related to ASD, as identified under the current version of the DSM, and meets all of the following criteria:

(1) is severe and chronic;

(2) results in impairment of adaptive behavior and function similar to that of a person with ASD;

(3) requires treatment or services similar to those required for a person with ASD; and

(4) results in substantial functional limitations in three core developmental deficits of ASD: social or interpersonal interaction; functional communication, including nonverbal or social communication; and restrictive or repetitive behaviors or hyperreactivity or hyporeactivity to sensory input; and may include deficits or a high level of support in one or more of the following domains:

(i) behavioral challenges and self-regulation;

(ii) cognition;

(iii) learning and play;

(iv) self-care; or

(v) safety.

(e) "Behavior analyst" means an individual licensed under sections 148.9981 to 148.9995 as a behavior analyst.

(f) "Clinical supervision" means the overall responsibility for the control and direction of EIDBI service delivery, including ~~individual treatment planning,~~ staff supervision, including observation and direction; individual treatment plan development and progress monitoring~~,~~; family training and counseling; and ~~treatment review~~ coordinated care conference coordination for each person. Clinical supervision is provided by a qualified supervising professional (QSP) who takes full professional responsibility for the service provided by each supervisee and the clinical effectiveness of all interventions.

(g) "Commissioner" means the commissioner of human services, unless otherwise specified.

(h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a comprehensive evaluation of a person to determine medical necessity for EIDBI services based on the requirements in subdivision 5.

(i) "Department" means the Department of Human Services, unless otherwise specified.

(j) "Early intensive developmental and behavioral intervention benefit" or "EIDBI benefit" means a variety of individualized, intensive treatment modalities approved and published by the commissioner that are based in behavioral and developmental science consistent with best practices on effectiveness.

(k) "Employee of an agency" or "employee" means any individual who is employed temporarily, part time, or full time by the agency that is submitting claims or billing for the work, services, supervision, or treatment performed by the individual. Employee does not include an independent contractor, billing agency, or consultant who is not providing EIDBI services. Employee does not include an individual who performs work, provides services, supervises, or provides treatment for less than 80 hours in a 12-month period.

(l) "Generalizable goals" means results or gains that are observed during a variety of activities over time with different people, such as providers, family members, other adults, and people, and in different environments including, but not limited to, clinics, homes, schools, and the community.

(m) "Incident" means when any of the following occur:

(1) an illness, accident, or injury that requires first aid treatment;

(2) a bump or blow to the head; or

(3) an unusual or unexpected event that jeopardizes the safety of a person or staff, including a person leaving the agency unattended.

(n) "Individual treatment plan" or "ITP" means the person-centered, individualized written plan of care that integrates and coordinates person and family information from the CMDE for a person who meets medical necessity for the EIDBI benefit. An individual treatment plan must meet the standards in subdivision 6.

(o) "Legal representative" means the parent of a child who is under 18 years of age, a court-appointed guardian, or other representative with legal authority to make decisions about service for a person. For the purpose of this subdivision, "other representative with legal authority to make decisions" includes a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(p) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(q) "Person" means an individual under 21 years of age.

(r) "Person-centered" means a service that both responds to the identified needs, interests, values, preferences, and desired outcomes of the person or the person's legal representative and respects the person's history, dignity, and cultural background and allows inclusion and participation in the person's community.

(s) "Qualified EIDBI provider" means an individual who is a QSP or a level I, level II, or level III treatment provider.

Sec. 14. Minnesota Statutes 2025 Supplement, section 256B.0949, subdivision 16, is amended to read:

Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section must:

(1) enroll as a medical assistance Minnesota health care program provider according to Minnesota Rules, part 9505.0195, and section 256B.04, subdivision 21, and meet all applicable provider standards and requirements;

(2) designate an individual as the agency's compliance officer who must perform the duties described in section 256B.04, subdivision 21, paragraph (g);

(3) demonstrate compliance with federal and state laws for the delivery of and billing for EIDBI service;

(4) verify and maintain records of a service provided to the person or the person's legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

(5) demonstrate that while enrolled or seeking enrollment as a Minnesota health care program provider the agency did not have a lead agency contract or provider agreement discontinued because of a conviction of fraud; or did not have an owner, board member, or manager fail a state or federal criminal background check or appear on the list of excluded individuals or entities maintained by the federal Department of Human Services Office of Inspector General;

(6) have established business practices including written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services, appropriately submit claims, conduct required staff training, document staff qualifications, document service activities, and document service quality;

(7) have an office located in Minnesota or a border state;

(8) initiate a background study as required under subdivision 16a;

(9) report maltreatment according to section 626.557 and chapter 260E;

(10) comply with any data requests consistent with the Minnesota Government Data Practices Act, sections 256B.064 and 256B.27;

(11) provide training for all agency staff on the requirements and responsibilities listed in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act, section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to report suspected abuse and neglect;

(12) have a written policy to resolve issues collaboratively with the person and the person's legal representative when possible. The policy must include a timeline for when the person and the person's legal representative will be notified about issues that arise in the provision of services;

(13) provide the person's legal representative with prompt notification if the person is injured while being served by the agency. An incident report must be completed by the agency staff member in charge of the person. A copy of all incident and injury reports must remain on file at the agency for at least five years from the report of the incident;

(14) before starting a service, provide the person or the person's legal representative a description of the treatment modality that the person shall receive, including the staffing certification levels and training of the staff who shall provide a treatment;

(15) provide clinical supervision for a minimum of one hour for every 16 hours of direct treatment per person, unless otherwise authorized in the person's individual treatment plan; and

(16) provide the required EIDBI intervention observation and direction by a QSP at least once per month. Notwithstanding subdivision 13, paragraph (l), required EIDBI intervention observation and direction under this clause may be conducted via telehealth provided that no more than two consecutive monthly required EIDBI intervention observation and direction sessions under this clause are conducted via telehealth.

(b) Upon request of the commissioner, an agency delivering services under this section must:

(1) identify the agency's controlling individuals, as defined under section 245A.02, subdivision 5a;

(2) provide disclosures of the use of billing agencies and other consultants who do not provide EIDBI services; and

(3) provide copies of any contracts with consultants or independent contractors who do not provide EIDBI services, including hours contracted and responsibilities.

(c) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:

(1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;

(2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and

(3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 15. Minnesota Statutes 2025 Supplement, section 256B.0949, subdivision 18, is amended to read:

Subd. 18. **Site visits and sanctions.** (a) The commissioner may conduct unannounced on-site inspections of any and all EIDBI agencies and service locations to verify that information submitted to the commissioner is accurate, determine compliance with all enrollment requirements, investigate reports of maltreatment, determine compliance with service delivery and billing requirements, and determine compliance with any other applicable laws or rules.

(b) The commissioner may withhold payment from an agency or suspend or terminate the agency's enrollment number if the agency fails to provide access to the agency's service locations or records or fails to comply with documentation requirements under subdivision 19 or the commissioner determines the agency has failed to comply fully with applicable laws or rules. The provider has the right to appeal the decision of the commissioner under section 256B.064.

Sec. 16. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision to read:

Subd. 19. **Documentation requirements.** (a) CMDE and EIDBI providers must ensure that all documentation, including but not limited to health service records and personnel files, complies with this subdivision, subdivision 16, and Minnesota Rules, parts 9505.2175 and 9505.2197. Documentation must be complete, legible, accurate, and readily accessible.

(b) All documentation must:

(1) be legible and understandable to individuals outside service delivery;

(2) include the participant's name on each health record page and the provider's name on each personnel file page;

(3) be signed and dated by the provider completing the documentation with the provider's full name, title, and credentials;

(4) be entered within 72 hours of service and contain a record and explanation of any delays in entry;

(5) clearly reflect clinical decision-making and support medical necessity;

(6) be securely stored in accordance with the Health Insurance Portability and Accountability Act (HIPAA), Public Law 104-191;

(7) be stored in accordance with state and federal document retention laws;

(8) be available for review or audit;

(9) include a record of caregiver involvement where applicable; and

(10) include a record of supervision and oversight for staff providing services requiring supervision under EIDBI policy.

(c) Each EIDBI service occurrence must be documented in a progress note in a manner and with the information determined by the commissioner.

(d) All providers must maintain current personnel records for each employee in a manner determined by the commissioner that include:

(1) the employee's name, contact information, and hire date;

(2) the employee's completed employment application and acknowledgment of duties;

(3) the job description for the employee's job with the effective date;

(4) verification of the employee's qualifications, including but not limited to education, licenses, certifications, enrollment attestation, degrees, transcripts, and experience;

(5) a background study pursuant to chapter 245C with a notice from the commissioner that the subject of the study is:

(i) not disqualified under section 245C.14; or

(ii) disqualified but the subject of the study has received a set-aside of the disqualification under section 245C.22;

(6) orientation and required training the employee attended, including but not limited to training on mandated reporting, cultural responsiveness, and EIDBI competencies;

(7) the dates of the employee's first supervised and unsupervised client contact following employment;

(8) documentation of supervision received by the employee, including but not limited to the supervisor's name and credentials, dates of supervision, supervision content, and the employee's signature indicating the accuracy of the documented supervision;

(9) the employee's CPR and emergency response training, if required; and

(10) the employee's annual performance evaluations.

(e) If an incident occurs or the person is injured while receiving services, the provider must document what occurred and how staff responded to the incident.

Sec. 17. Minnesota Statutes 2024, section 256B.4905, subdivision 2a, is amended to read:

Subd. 2a. **Informed choice policy.** (a) It is the policy of this state that all adults who have disabilities and, with support from their families or legal representatives, that all children who have disabilities:

(1) may make informed choices to select and utilize disability services and supports; and

(2) are offered an informed decision-making process sufficient to make informed choices.

(b) It is the policy of this state that disability waivers services support the presumption that adults who have disabilities and, with support from their families or legal representatives, all children who have disabilities may make informed choices; and that all adults who have disabilities and all families of children who have disabilities and are accessing waiver services under sections 256B.092 and 256B.49 are provided an informed decision-making process that satisfies the requirements of subdivision 3a.

(c) Lead agencies must support individuals in making informed choices by:

(1) providing complete and accurate information about available home and community-based services and settings;

(2) providing the information in a manner that is culturally and linguistically appropriate; and

(3) facilitating access to services that reflect the individual's preferences and assessed needs.

(d) For individuals who are members of or affiliated with a federally recognized Tribal Nation located within Minnesota, informed choice includes the right to receive services administered or provided by the individual's Tribal Nation. Lead agencies must:

(1) inform individuals of services offered by Tribal Nations enrolled as Minnesota health care providers;

(2) directly coordinate with the individual's Tribal Nation human services agency when the individual seeks or may be eligible for services administered or provided by that Tribal Nation; and

(3) ensure that service planning and delivery respects the individual's rights as both a member of a sovereign Tribal Nation and a resident of Minnesota.

(e) County lead agencies and Tribal Nation human services agencies must establish and maintain procedures to share updated contact information, coordinate case management, and provide timely referrals necessary to ensure that informed choice is fully exercised.

(f) Nothing in this section limits the sovereignty of Tribal Nations or the authority of Tribal governments to administer home and community-based services to their members.

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

Sec. 18. Minnesota Statutes 2025 Supplement, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Unit-based services with programming; component values and calculation of payment rates.** (a) For the purpose of this section, unit-based services with programming include employment exploration services, employment development services, employment support services, individualized home supports with family training, individualized home supports with training, and positive support services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for unit-based services with programming are:

(1) competitive workforce factor: 6.7 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 15.5 percent;

(6) client programming and support ratio: 4.7 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 6.1 percent; and

(9) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for unit-based services with programming is 15 minutes.

(d) Payments for unit-based services with programming must be calculated as follows, unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;

(14) for services provided in a shared manner, divide the total payment in clause (13) as follows:

(i) for employment exploration services, divide by the number of service recipients, not to exceed five;

(ii) for employment support services, divide by the number of service recipients, not to exceed six;

(iii) for individualized home supports with training and individualized home supports with family training, divide by the number of service recipients, not to exceed three; and

(iv) for night supervision, divide by the number of service recipients, not to exceed two; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

(e) Effective January 1, ~~2026~~ 2027, or upon federal approval, whichever is later, a provider must not bill more than ~~three consecutive hours and not more than six total hours per day~~ the monthly unit of service limit determined by multiplying 24 units by the total number of days in each month for individualized home supports with training and not more than six total hours per day for individualized home supports with family training. ~~This daily limit does~~ These limits do not:

(1) limit a person's use of other disability waiver services, including individualized home supports, which may be provided on the same day by the same provider providing individualized home supports with training or individualized home supports with family training~~.~~; or

(2) apply to individuals who meet the residential support services criteria under sections 256B.092, subdivision 11a, and 256B.49, subdivision 29.

Sec. 19. Minnesota Statutes 2025 Supplement, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with community partners identified in subdivision 17, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. The commissioner may review report submissions for inaccurate, inconclusive, incomplete, or otherwise deficient data and may remove the report from submitted status for further verification. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received and reviewed for compliance by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. Providers selected to validate cost reports must respond to the commissioner within 30 days with the requested financial documentation. If a provider fails to respond to the commissioner with all the requested information within 30 days, the commissioner must temporarily suspend payments. The commissioner must resume payments once the requested documentation is received. If a provider is unable to validate the provider's costs with supporting documentation, the commissioner must require the provider to participate in the random validation the next year that the commissioner selects providers to report their costs. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a). The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

(e) Beginning January 1, 2029, the commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.

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

Sec. 20. Minnesota Statutes 2024, section 256B.851, subdivision 8, is amended to read:

Subd. 8. **Personal care provider agency; required reporting of cost data; training.** (a) As determined by the commissioner and in consultation with stakeholders, agencies enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner. The commissioner may request cost data, including but not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) staff vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any three-year period, a provider must submit the required cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner must provide each provider a 90-day notice prior to its submission due date. The commissioner may review report submissions for inaccurate, inconclusive, incomplete, or otherwise deficient data and may remove the report from submitted status for further verification. If a provider fails to submit required cost data, the commissioner must provide notice to a provider that has not provided required cost data 30 days after the required submission date and a second notice to a provider that has not provided required cost data 60 days after the required submission date. The commissioner must temporarily suspend payments to a provider if the commissioner has not received required cost data 90 days after the required submission date. The commissioner must make withheld payments when the required cost data is received and reviewed for compliance by the commissioner.

(c) The commissioner must conduct a random validation of data submitted under this subdivision to ensure data accuracy. A provider selected to validate the provider's cost reports must respond to the commissioner within 30 days with the requested financial documentation. If a provider fails to respond to the commissioner with the requested information within 30 days, the commissioner must temporarily suspend payments. The commissioner must resume payments once the requested documentation is received. If a provider is unable to validate the provider's costs with supporting documentation, the commissioner must require the provider to participate in the random validation the next year that the commissioner selects providers to report their costs. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner, in consultation with stakeholders, must develop and implement a process for providing training and technical assistance necessary to support provider submission of cost data required under this subdivision.

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

Sec. 21. Minnesota Statutes 2024, section 256S.21, subdivision 3, is amended to read:

Subd. 3. **Cost reporting.** (a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but are not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit the required cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner ~~shall~~ must provide each provider a 90-day notice prior to the provider's submission due date. The commissioner may review report submissions for inaccurate, inconclusive, incomplete, or otherwise deficient data and may remove the report from submitted status for further verification. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner ~~shall~~ must provide notice to the provider~~, and.~~ If by 60 days after the required submission date a provider has not provided the required data, the commissioner ~~shall~~ must provide a second notice. The commissioner ~~shall~~ must temporarily suspend payments to ~~the~~ a provider if the commissioner has not received the required cost data ~~is not received~~ 90 days after the required submission date or 90 days after the department requests updated data. The commissioner must make withheld payments ~~must be made once data is received~~ when the required cost data is received and reviewed for compliance by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in section ~~256S.2101, subdivision 3,~~ 256S.211, subdivision 4, through the reports directed by subdivision 2.

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

Sec. 22. Laws 2024, chapter 125, article 1, section 47, is amended to read:

Sec. 47. **DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME TRANSITION PILOT PROGRAM.**

(a) The commissioner of human services must award a single competitive grant to a home care nursing provider to develop and implement, in coordination with the commissioner of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare, and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and facilitate pediatric hospital-to-home discharges for patients receiving services in this state under medical assistance, including under the community alternative care waiver, community access for disability inclusion waiver, and developmental disabilities waiver.

(b) Grant money awarded under this section must be used only to support the administrative, training, and auxiliary services necessary to reduce:

(1) delayed discharge days due to unavailability of home care nursing staffing to accommodate complex pediatric patients;

(2) avoidable rehospitalization days for pediatric patients;

(3) unnecessary emergency department utilization by pediatric patients following discharge;

(4) long-term nursing needs for pediatric patients; and

(5) the number of school days missed by pediatric patients.

(c) Grant money must not be used to supplant payment rates for services covered under Minnesota Statutes, chapter 256B.

(d) No later than December 15, ~~2026~~ 2027, the commissioner must prepare a report summarizing the impact of the pilot program that includes but is not limited to: (1) the number of delayed discharge days eliminated; (2) the number of rehospitalization days eliminated; (3) the number of unnecessary emergency department admissions eliminated; (4) the number of missed school days eliminated; and (5) an estimate of the return on investment of the pilot program.

(e) The commissioner must submit the report under paragraph (d) to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy.

Sec. 23. **REPEALER.**

Minnesota Statutes 2024, section 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 16, are repealed.

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

ARTICLE 6
BEHAVIORAL HEALTH POLICY

Section 1. Minnesota Statutes 2025 Supplement, section 245.469, subdivision 1, is amended to read:

Subdivision 1. **Availability of emergency services.** (a) County boards must provide or contract for enough emergency services within the county to meet the needs of adults, children, and families in the county who are experiencing an emotional crisis or mental illness. Clients must not be charged for services provided. Emergency service providers must not delay or deny the timely provision of emergency services to a client due to payor source for services and must meet the qualifications under section 256B.0624, subdivision 4. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of each client;

(2) minimize further deterioration of each client;

(3) help each client to obtain ongoing care and treatment;

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs; and

(5) provide support, psychoeducation, and referrals to each client's family members, service providers, and other third parties on behalf of the client in need of emergency services.

(b) If a county provides engagement services under section 253B.041, the county's emergency service providers must refer clients to engagement services when the client meets the criteria for engagement services.

Sec. 2. Minnesota Statutes 2024, section 245F.02, subdivision 17, is amended to read:

Subd. 17. **Peer recovery support services.** "Peer recovery support services" means services provided according to section ~~245F.08, subdivision 3~~ 254B.052.

Sec. 3. Minnesota Statutes 2025 Supplement, section 245F.08, subdivision 3, is amended to read:

Subd. 3. **Peer recovery support services.** Peer recovery support services must meet the requirements in section ~~245G.07, subdivision 2a, paragraph (b), clause (2)~~ 254B.052, and must be provided by a person who is qualified according to the requirements in section ~~245F.15, subdivision 7~~ 245I.04, subdivisions 18 and 19.

Sec. 4. Minnesota Statutes 2024, section 245F.15, subdivision 7, is amended to read:

Subd. 7. **Recovery peer qualifications.** Recovery peers must:

(1) meet the qualifications in section 245I.04, subdivision 18; and

(2) provide services according to the scope of practice established in section 245I.04, subdivision 19~~, under the supervision of an alcohol and drug counselor~~.

Sec. 5. Minnesota Statutes 2024, section 245G.04, is amended by adding a subdivision to read:

Subd. 4. **Tobacco educational material.** A license holder must provide tobacco and nicotine educational material to a client on the day of service initiation. The license holder must use educational material approved by the commissioner that contains information on:

(1) risks associated with use of tobacco or nicotine products;

(2) types of tobacco or nicotine products, including differentiating between commercial versus traditional or sacred tobacco;

(3) treatment options, including the use of medication for tobacco use disorder; and

(4) benefits of receiving treatment for tobacco or nicotine use while attending substance use disorder treatment for another primary substance.

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

Sec. 6. Minnesota Statutes 2024, section 245G.06, subdivision 4, is amended to read:

Subd. 4. **Service discharge summary.** (a) An alcohol and drug counselor must write a service discharge summary for each client. The service discharge summary must be completed within five days of the client's service termination, excluding weekends and holidays. A copy of the client's service discharge summary must be provided to the client upon the client's request.

(b) The service discharge summary must be recorded in the six dimensions listed in section 254B.04, subdivision 4, and include the following information:

(1) the client's issues, strengths, and needs while participating in treatment, including services provided;

(2) the client's progress toward achieving each goal identified in the individual treatment plan;

(3) a risk rating and description for each of the ASAM six dimensions;

(4) the reasons for and circumstances of service termination. If a program discharges a client at staff request, the reason for discharge and the procedure followed for the decision to discharge must be documented and comply with the requirements in section 245G.14, subdivision 3, clause (3);

(5) the client's living arrangements at service termination;

(6) continuing care recommendations, including transitions between more or less intense services, or more frequent to less frequent services, and referrals made with specific attention to continuity of care for mental health, as needed; and

(7) service termination diagnosis.

Sec. 7. Minnesota Statutes 2025 Supplement, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** (a) Client records must contain the following:

(1) documentation that the client was given:

(i) information on client rights and responsibilities and grievance procedures on the day of service initiation;

(ii) information on tuberculosis and HIV within 72 hours of service initiation;

(iii) an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4), within 24 hours of admission or, for clients who would benefit from a later orientation, 72 hours; and

(iv) opioid educational material according to section 245G.04, subdivision 3, and tobacco educational material according to section 245G.04, subdivision 4, on the day of service initiation;

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

(4) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

(5) an individual treatment plan according to section 245G.06, subdivisions 1 and 1a;

(6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, 3, and 3a; and

(7) a summary at the time of service termination according to section 245G.06, subdivision 4.

(b) For a client that transfers to another of the license holder's licensed treatment locations, the license holder is not required to complete new documents or orientation for the client, except that the client must receive an orientation to the new location's grievance procedure, program abuse prevention plan, and maltreatment of minor and vulnerable adults reporting procedures.

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

Sec. 8. Minnesota Statutes 2025 Supplement, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

(1) is skilled in the process of identifying and assessing a wide range of client needs;

(2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) has completed 15 hours of education or training on substance use disorder, co-occurring conditions, and care coordination for individuals with substance use disorder or co-occurring conditions that is consistent with national evidence-based standards;

(4) meets one of the following criteria:

~~(i) has a bachelor's degree in one of the behavioral sciences or related fields;~~

~~(ii)~~ (i) has a high school diploma or equivalent; or

~~(iii)~~ (ii) is a mental health practitioner who meets the qualifications under section 245I.04, subdivision 4; and

(5) either has at least 1,000 hours of supervised experience working with individuals with substance use disorder or co-occurring conditions or receives treatment supervision at least once per week until obtaining 1,000 hours of supervised experience working with individuals with substance use disorder or co-occurring conditions.

(b) A treatment coordinator must receive the following levels of supervision from an alcohol and drug counselor or a mental health professional whose scope of practice includes substance use disorder treatment and assessments:

(1) for a treatment coordinator that has not obtained 1,000 hours of supervised experience under paragraph (a), clause (5), at least one hour of supervision per week; or

(2) for a treatment coordinator that has obtained at least 1,000 hours of supervised experience under paragraph (a), clause (5), at least one hour of supervision per month.

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

Sec. 9. Minnesota Statutes 2024, section 245G.11, subdivision 8, is amended to read:

Subd. 8. **Recovery peer qualifications.** A recovery peer must:

(1) meet the qualifications in section 245I.04, subdivision 18; and

(2) provide services according to the scope of practice established in section 245I.04, subdivision 19~~, under the supervision of an alcohol and drug counselor~~.

Sec. 10. Minnesota Statutes 2025 Supplement, section 245I.04, subdivision 17, is amended to read:

Subd. 17. **Mental health behavioral aide scope of practice.** While under the treatment supervision of a mental health professional, a mental health behavioral aide may practice psychosocial skills with a child client according to the child's treatment plan ~~and individual behavior plan~~ that a mental health professional, clinical trainee, or behavioral health practitioner has previously taught to the child.

Sec. 11. Minnesota Statutes 2024, section 245I.04, is amended by adding a subdivision to read:

Subd. 20. **Limitation on affiliation across service lines.** (a) A mental health professional, as defined in subdivision 3, must not simultaneously serve in a clinical, supervisory, or designated role for more than ten distinct licensed provider organizations or service lines delivering Medicaid-funded services. A mental health professional must not provide clinical or administrative supervision to more than 20 direct care or clinical staff across all affiliated provider organizations and service lines unless an exception is granted by the commissioner under paragraph (c).

(b) The commissioner shall establish criteria and a standardized process for evaluating exception requests under paragraph (a).

(c) Upon written request, the commissioner may grant an exception if the requester demonstrates that:

(1) the mental health professional can effectively meet all clinical, supervisory, and administrative responsibilities across affiliated programs;

(2) the oversight of client care will not be compromised; and

(3) the proposed arrangement complies with all applicable supervision, documentation, and service delivery requirements.

(d) In determining whether to grant an exception under paragraph (c), the commissioner shall consider:

(1) the geographic distribution of services;

(2) the complexity and acuity of client needs;

(3) the mental health professional's other responsibilities, including but not limited to direct service provision; and

(4) whether adequate supervision can be maintained in compliance with program standards.

(e) The commissioner shall rescind approval of the exception granted under paragraph (c) if the requester fails to comply with applicable program standards or with the terms of the exception.

(f) A mental health professional determined to be in violation of this subdivision may be subject to corrective action, licensing sanctions, or administrative penalties in accordance with chapter 245A and other applicable law.

Sec. 12. Minnesota Statutes 2024, section 245I.08, subdivision 4, is amended to read:

Subd. 4. **Progress notes.** A license holder must use a progress note to document each occurrence of a mental health service that a staff person provides to a client. A progress note must include the following:

(1) the type of service;

(2) the date of service;

(3) the start and stop time of the service unless the license holder is licensed as a residential program;

(4) the location of the service;

(5) the scope of the service, including: (i) the targeted goal and objective; (ii) the intervention that the staff person provided to the client and the methods that the staff person used; (iii) the client's response to the intervention; and (iv) the staff person's plan to take future actions, including changes in treatment that the staff person will implement if the intervention was ineffective;

(6) the signature and credentials of the staff person who provided the service to the client;

(7) the dated signature and credentials of the treatment supervisor;

~~(7)~~ (8) the mental health provider travel documentation required by section 256B.0625, if applicable; and

~~(8)~~ (9) significant observations by the staff person, if applicable, including: (i) the client's current risk factors; (ii) emergency interventions by staff persons; (iii) consultations with or referrals to other professionals, family, or significant others; and (iv) changes in the client's mental or physical symptoms.

Sec. 13. Minnesota Statutes 2024, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context. An alcohol and drug counselor may gather and document the information in paragraphs (b) and (c) when completing a comprehensive assessment according to section 245G.05.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

(1) the client's age;

(2) the client's current living situation, including the client's housing status and household members;

(3) the status of the client's basic needs;

(4) the client's education level and employment status;

(5) the client's current medications;

(6) any immediate risks to the client's health and safety, including withdrawal symptoms, medical conditions, and behavioral and emotional symptoms;

(7) the client's perceptions of the client's condition;

(8) the client's description of the client's symptoms, including the reason for the client's referral;

(9) the client's history of mental health and substance use disorder treatment, including but not limited to treatment for tobacco or nicotine use;

(10) cultural influences on the client; and

(11) substance use history, if applicable, including:

(i) amounts and types of substances, including but not limited to tobacco and nicotine products; frequency and duration~~,~~; route of administration~~,~~; periods of abstinence~~,~~; and circumstances of relapse; and

(ii) the impact to functioning when under the influence of substances, including legal interventions.

(c) If the assessor cannot obtain the information that this paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(3) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder, including but not limited to tobacco use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client; and

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

(g) Information from other providers and prior assessments may be used to complete the diagnostic assessment if the source of the information is documented in the diagnostic assessment.

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

Sec. 14. Minnesota Statutes 2025 Supplement, section 245I.23, subdivision 7, is amended to read:

Subd. 7. **Intensive residential treatment services assessment and treatment planning.** (a) Within 12 hours of a client's admission, the license holder must evaluate and document the client's immediate needs, including the client's:

(1) health and safety, including the client's need for crisis assistance;

(2) responsibilities for children, family and other natural supports, and employers; and

(3) housing and legal issues.

(b) Within 24 hours of the client's admission, the license holder must complete an initial treatment plan for the client. The license holder must:

(1) base the client's initial treatment plan on the client's referral information and an assessment of the client's immediate needs;

(2) consider crisis assistance strategies that have been effective for the client in the past;

(3) identify the client's initial treatment goals, measurable treatment objectives, and specific interventions that the license holder will use to help the client engage in treatment;

(4) identify the participants involved in the client's treatment planning. The client must be a participant; and

(5) ensure that a treatment supervisor approves of the client's initial treatment plan if a behavioral health practitioner or clinical trainee completes the client's treatment plan, notwithstanding section 245I.08, subdivision 3.

(c) According to section 245A.65, subdivision 2, paragraph (b), the license holder must complete an individual abuse prevention plan as part of a client's initial treatment plan.

(d) Within five days of the client's admission and again within 60 days after the client's admission, the license holder must complete a level of care assessment of the client. If the license holder determines that a client does not need a medically monitored level of service, a treatment supervisor must document how the client's admission to and continued services in intensive residential treatment services are medically necessary for the client.

(e) Within ten days of a client's admission, excluding weekends and holidays, the license holder must complete or review and update the client's standard diagnostic assessment.

(f) Within ten days of a client's admission, the license holder must complete the client's individual treatment plan, notwithstanding section 245I.10, subdivision 8. Within 40 days after the client's admission and again within 70 days after the client's admission, the license holder must update the client's individual treatment plan. The license holder must focus the client's treatment planning on preparing the client for a successful transition from intensive residential treatment services to another setting. In addition to the required elements of an individual treatment plan under section 245I.10, subdivision 8, the license holder must identify the following information in the client's individual treatment plan: (1) the client's referrals and resources for the client's health and safety; and (2) the staff persons who are responsible for following up with the client's referrals and resources. If the client does not receive a referral or resource that the client needs, the license holder must document the reason that the license holder did not make the referral or did not connect the client to a particular resource. The license holder is responsible for determining whether additional follow-up is required on behalf of the client.

(g) Within 30 days of the client's admission, the license holder must complete a functional assessment of the client. Within 60 days after the client's admission, the license holder must update the client's functional assessment to include any changes in the client's functioning and symptoms.

(h) For a client with a current substance use disorder diagnosis and for a client whose substance use disorder screening in the client's standard diagnostic assessment indicates the possibility that the client has a substance use disorder, the license holder must complete a written assessment of the client's substance use within 30 days of the client's admission. In the substance use assessment, the license holder must: (1) evaluate the client's history of substance use, relapses, and hospitalizations related to substance use; (2) assess the effects of the client's substance

use on the client's relationships including with family member and others; (3) identify financial problems, health issues, housing instability, and unemployment; (4) assess the client's legal problems, past and pending incarceration, violence, and victimization; and (5) evaluate the client's suicide attempts, noncompliance with taking prescribed medications, and noncompliance with psychosocial treatment.

(i) On a weekly basis, a mental health professional or certified rehabilitation specialist must review each client's treatment plan and individual abuse prevention plan. The license holder must document in the client's file each weekly review of the client's treatment plan and individual abuse prevention plan.

Sec. 15. Minnesota Statutes 2025 Supplement, section 254A.03, subdivision 3, is amended to read:

Subd. 3. **Rules for substance use disorder care.** (a) An eligible vendor of comprehensive assessments under section 254B.0501 may determine the appropriate level of substance use disorder treatment for a recipient of public assistance. The process for determining an individual's financial eligibility for the behavioral health fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.

~~(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.~~

~~(c)~~ (b) If a screen result is positive for alcohol or substance misuse, a brief screening for alcohol or substance use disorder that is provided to a recipient of public assistance within a primary care clinic, hospital, or other medical setting or school setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.0505. The initial set of services approved for a recipient whose screen result is positive may include any combination of up to four hours of individual or group substance use disorder treatment, two hours of substance use disorder treatment coordination, or two hours of substance use disorder peer support services provided by a qualified individual according to chapter 245G. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services. A comprehensive assessment pursuant to section 245G.05 is not required to receive the initial set of services allowed under this subdivision. A positive screen result establishes eligibility for the initial set of services allowed under this subdivision.

~~(d)~~ (c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

Sec. 16. Minnesota Statutes 2025 Supplement, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the commissioner to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), any person enrolled in medical assistance or MinnesotaCare is eligible for room and board services under section 254B.0505, subdivision 1, clause (9).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 142G;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0140;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1272; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by the commissioner under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.0501, subdivision 3.

(i) Notwithstanding any law to the contrary, persons enrolled in MinnesotaCare or medical assistance are eligible for room and board services when provided through intensive residential treatment services and residential crisis services under section 256B.0632 and chapter 245I.

(j) A person is eligible for one 60-consecutive-calendar-day period per year. A person may submit a request for additional eligibility to the commissioner. A person denied additional eligibility under this paragraph may request a state agency hearing under section 256.045.

Sec. 17. Minnesota Statutes 2025 Supplement, section 254B.0501, subdivision 6, is amended to read:

Subd. 6. **Recovery community organizations.** (a) A recovery community organization that meets the requirements of clauses (1) to (15), complies with the training requirements in section 254B.052, subdivision 4, and meets certification requirements of the Minnesota Alliance of Recovery Community Organizations or another

Minnesota statewide recovery organization identified by the commissioner is an eligible vendor of peer recovery support services. If the commissioner does not identify another statewide recovery organization, or the Minnesota Alliance of Recovery Community Organizations or the statewide recovery organization identified by the commissioner is not reasonably positioned to certify vendors, the commissioner must determine the eligibility of a vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program development, peer recovery support services provided, and advocacy efforts for the purpose of supporting the recovery community organization's mission;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) have a mission statement and conduct corresponding activities indicating that the organization's primary purpose is to support recovery from substance use disorder;

(4) demonstrate ongoing community engagement with the identified primary region and population served by the organization, including individuals in recovery and their families, friends, and recovery allies;

(5) be accountable to the recovery community through documented priority-setting and participatory decision-making processes that promote the engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building, and harm-reduction activities, and provide recovery public education and advocacy;

(7) have written policies that allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) maintain organizational practices to meet the needs of Black, Indigenous, and people of color communities, LGBTQ+ communities, and other underrepresented or marginalized communities. Organizational practices may include board and staff training, service offerings, advocacy efforts, and culturally informed outreach and services;

(9) use recovery-friendly language in all media and written materials that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma;

(10) establish and maintain a publicly available recovery community organization code of ethics and grievance policy and procedures;

(11) not classify or treat any recovery peer hired on or after July 1, 2024, as an independent contractor;

(12) not classify or treat any recovery peer as an independent contractor on or after January 1, 2025;

(13) provide an orientation for recovery peers that includes an overview of the consumer advocacy services provided by the Ombudsman for Mental Health and Developmental Disabilities and other relevant advocacy services;

(14) provide notice to peer recovery support services participants that includes the following statement: "If you have a complaint about the provider or the person providing your peer recovery support services, you may contact the Minnesota Alliance of Recovery Community Organizations. You may also contact the Office of Ombudsman for Mental Health and Developmental Disabilities." The statement must also include:

(i) the telephone number, website address, email address, and mailing address of the Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(ii) the recovery community organization's name, address, email, telephone number, and name or title of the person at the recovery community organization to whom problems or complaints may be directed; and

(iii) a statement that the recovery community organization will not retaliate against a peer recovery support services participant because of a complaint; and

(15) comply with the requirements of section 245A.04, subdivision 15a.

(b) A recovery community organization approved by the commissioner before June 30, 2023, must have begun the application process as required by an approved certifying or accrediting entity and have begun the process to meet the requirements under paragraph (a) by September 1, 2024, in order to be considered as an eligible vendor of peer recovery support services.

(c) A recovery community organization that is aggrieved by a certification determination and believes it meets the requirements under paragraph (a) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (14), for reconsideration as an eligible vendor. If the human services judge determines that the recovery community organization meets the requirements under paragraph (a), the recovery community organization is an eligible vendor of peer recovery support services for up to two years from the date of the determination. After two years, the recovery community organization must apply for certification under paragraph (a) to continue to be an eligible vendor of peer recovery support services.

(d) All recovery community organizations must be certified by an entity listed in paragraph (a) by June 30, ~~2027~~ 2026.

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

Sec. 18. Minnesota Statutes 2025 Supplement, section 254B.0505, subdivision 8, is amended to read:

Subd. 8. ~~**Peer recovery support services**~~ **Utilization review requirements.** Eligible vendors of ~~peer recovery support~~ services in subdivision 1, clauses (1) to (10), must~~:~~

~~(1)~~ submit to a review by the commissioner of up to ten percent of all medical assistance and behavioral health fund claims to determine the medical necessity ~~of peer recovery support services for entities billing for peer recovery support services individually and not receiving a daily rate; and~~.

~~(2) limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.~~

Sec. 19. Minnesota Statutes 2025 Supplement, section 254B.0505, is amended by adding a subdivision to read:

Subd. 9. **Withdrawal management services.** For withdrawal management services provided by an eligible vendor that is licensed under chapter 245F as a clinically managed withdrawal management program or as a medically monitored withdrawal management program, utilization review, as defined in section 62M.02, is prohibited until five calendar days after the date of service initiation.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 20. Minnesota Statutes 2025 Supplement, section 254B.0505, is amended by adding a subdivision to read:

Subd. 10. **Monetary recovery.** Reimbursement for services authorized under this chapter that are not provided in accordance with this chapter are subject to monetary recovery under section 256B.064 as money improperly paid.

Sec. 21. Minnesota Statutes 2024, section 254B.052, subdivision 1, is amended to read:

Subdivision 1. **Peer recovery support services; service requirements.** (a) Peer recovery support services are face-to-face interactions between a recovery peer and a client, on a one-on-one basis, in which specific goals identified in an individual recovery plan, treatment plan, or stabilization plan are discussed and addressed. Peer recovery support services are provided to promote a client's recovery goals, self-sufficiency, self-advocacy, and development of natural supports and to support maintenance of a client's recovery.

(b) Peer recovery support services must be provided according to (1) an individual recovery plan if provided by a recovery community organization or county, (2) a treatment plan if provided in either a substance use disorder treatment program under chapter 245G~~,~~ or a Tribally licensed substance use disorder treatment program, or (3) a stabilization plan if provided by a withdrawal management program under chapter 245F.

(c) A client receiving peer recovery support services must participate in the services voluntarily. Any program that incorporates peer recovery support services must provide written notice to the client that peer recovery support services will be provided.

(d) Peer recovery support services may not be provided to a client residing with or employed by a recovery peer from whom ~~they receive~~ the client receives services.

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

Sec. 22. Minnesota Statutes 2024, section 254B.052, is amended by adding a subdivision to read:

Subd. 7. **Billing limits.** Eligible vendors of peer recovery support services must limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.

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

Sec. 23. Minnesota Statutes 2024, section 256B.0624, subdivision 6b, is amended to read:

Subd. 6b. **Crisis intervention services.** (a) If the crisis assessment determines mobile crisis intervention services are needed, the crisis intervention services must be provided promptly. As opportunity presents during the intervention, at least two members of the mobile crisis intervention team must confer directly or by telephone about the crisis assessment, crisis treatment plan, and actions taken and needed. At least one of the team members must be providing face-to-face crisis intervention services. If providing crisis intervention services, a clinical trainee or mental health practitioner must seek treatment supervision as required in subdivision 9.

(b) If a provider delivers crisis intervention services while the recipient is absent, the provider must document the reason for delivering services while the recipient is absent.

(c) The mobile crisis intervention team must develop a crisis treatment plan according to subdivision 11.

(d) The mobile crisis intervention team must document which crisis treatment plan goals and objectives have been met and when no further crisis intervention services are required.

(e) If the recipient's mental health crisis is stabilized, but the recipient needs a referral to other services, the team must provide referrals to these services. If the recipient has a case manager, planning for other services must be coordinated with the case manager. If the recipient is unable to follow up on the referral, the team must link the recipient to the service and follow up to ensure the recipient is receiving the service.

~~(f) If the recipient's mental health crisis is stabilized and the recipient does not have an advance directive, the case manager or crisis team shall offer to work with the recipient to develop one.~~

EFFECTIVE DATE. This section is effective upon federal approval.

Sec. 24. Minnesota Statutes 2024, section 256B.0624, subdivision 7, is amended to read:

Subd. 7. **Crisis stabilization services.** (a) Crisis stabilization services must be provided by qualified staff of a crisis stabilization services provider entity and must meet the following standards:

(1) a crisis treatment plan must be developed that meets the criteria in subdivision 11;

(2) staff must be qualified as defined in subdivision 8;

(3) crisis stabilization services must be delivered according to the crisis treatment plan and include face-to-face contact with the recipient by qualified staff for further assessment, help with referrals, updating of the crisis treatment plan, skills training, and collaboration with other service providers in the community; ~~and~~

(4) if a provider delivers crisis stabilization services while the recipient is absent, the provider must document the reason for delivering services while the recipient is absent~~.~~; and

(5) if the recipient is an adult, the recipient's mental health crisis is stabilized, and the recipient does not have a health care directive as defined by section 145C.01, subdivision 5a, or psychiatric declaration as defined by section 253B.03, subdivision 6d, the case manager or crisis team must offer to work with the recipient to develop a directive or declaration.

(b) If crisis stabilization services are provided in a supervised, licensed residential setting that serves no more than four adult residents, and one or more individuals are present at the setting to receive residential crisis stabilization, the residential staff must include, for at least eight hours per day, at least one mental health professional, clinical trainee, certified rehabilitation specialist, or mental health practitioner. The commissioner shall establish a statewide per diem rate for crisis stabilization services provided under this paragraph to medical assistance enrollees. The rate for a provider shall not exceed the rate charged by that provider for the same service to other payers. Payment shall not be made to more than one entity for each individual for services provided under this paragraph on a given day. The commissioner shall set rates prospectively for the annual rate period. The commissioner shall require providers to submit annual cost reports on a uniform cost reporting form and shall use submitted cost reports to inform the rate-setting process. The commissioner shall recalculate the statewide per diem every year.

EFFECTIVE DATE. This section is effective upon federal approval.

Sec. 25. Minnesota Statutes 2024, section 256B.0625, subdivision 47, is amended to read:

Subd. 47. **~~Treatment foster care~~ Children's intensive behavioral health services.** ~~Effective July 1, 2011, and subject to federal approval,~~ Medical assistance covers ~~treatment foster care~~ children's intensive behavioral health services according to section 256B.0946.

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

Sec. 26. Minnesota Statutes 2024, section 256B.0759, subdivision 3, is amended to read:

Subd. 3. **Provider standards.** (a) ~~The commissioner must establish requirements for participating providers that are consistent with the federal requirements of the demonstration project.~~ The following programs that receive payment for substance use disorder treatment services under section 256B.0625 must enroll as a Minnesota health care programs provider, meet the requirements established by the commissioner, and certify that the program meets the applicable American Society of Addiction Medicine (ASAM) levels of care according to section 254B.19:

(1) nonresidential substance use disorder treatment programs and residential treatment programs licensed under chapter 245G as licensed substance use disorder treatment facilities;

(2) withdrawal management programs licensed under chapter 245F; and

(3) out-of-state residential substance use disorder treatment programs.

(b) Programs that do not meet the requirements of paragraph (a) are ineligible for payment for services provided under section 256B.0625.

~~(b) A participating residential provider must obtain applicable licensure under chapter 245F or 245G or other applicable standards for the services provided and must:~~

~~(1) deliver services in accordance with standards published by the commissioner pursuant to paragraph (d);~~

~~(2) maintain formal patient referral arrangements with providers delivering step-up or step-down levels of care in accordance with ASAM standards; and~~

~~(3) offer substance use disorder treatment services with medications for opioid use disorder on site or facilitate access to substance use disorder treatment services with medications for opioid use disorder off site.~~

~~(c) A participating outpatient provider must obtain applicable licensure under chapter 245G or other applicable standards for the services provided and must:~~

~~(1) deliver services in accordance with standards published by the commissioner pursuant to paragraph (d); and~~

~~(2) maintain formal patient referral arrangements with providers delivering step-up or step-down levels of care in accordance with ASAM standards.~~

~~(d) If the provider standards under chapter 245G or other applicable standards conflict or are duplicative, the commissioner may grant variances to the standards if the variances do not conflict with federal requirements. The commissioner must publish service components, service standards, and staffing requirements for participating providers that are consistent with ASAM standards and federal requirements by October 1, 2020.~~

(c) Programs licensed by the department as residential treatment programs according to section 245G.21 that (1) receive payment under this chapter, (2) are licensed as a hospital under sections 144.50 to 144.581, and (3) provide only ASAM level 3.7 medically monitored inpatient level of care are not required to certify the ASAM 3.7 level of care. If a program described in this paragraph provides any additional ASAM levels of care, the program must certify those levels of care according to section 254B.19. Programs meeting the criteria in this paragraph must submit evidence of providing the required level of care to the commissioner to be exempt from enrolling in the demonstration.

(d) Tribally licensed programs that otherwise meet the requirements of subdivision 3 may elect to participate in the demonstration project. The department must consult with Tribal Nations to discuss participation in the substance use disorder demonstration project.

(e) Programs subject to this section must:

(1) deliver services in accordance with section 254B.19; and

(2) offer substance use disorder treatment services with medications for opioid use disorder on site or facilitate timely access to medications for opioid use disorder off site.

Sec. 27. Minnesota Statutes 2025 Supplement, section 256B.0759, subdivision 4, is amended to read:

Subd. 4. **Provider payment rates.** (a) ~~Payment rates for participating~~ Providers must ~~be increased for services provided to medical assistance enrollees. To receive a rate increase, participating providers must meet demonstration project requirements and provide evidence of formal referral arrangements with providers delivering step-up or step-down levels of care. Providers that have enrolled in the demonstration project but have not met the provider standards under subdivision 3 as of July 1, 2022, are not eligible for a rate increase under this subdivision until the date that the provider meets the provider standards in subdivision 3. Services provided from July 1, 2022, to the date that the provider meets the provider standards under subdivision 3 shall~~ be reimbursed at rates according to section 254B.0505, subdivision 1. ~~Rate increases paid under this subdivision to a provider for services provided between July 1, 2021, and July 1, 2022, are not subject to recoupment when the provider is taking meaningful steps to meet demonstration project requirements that are not otherwise required by law, and the provider provides documentation to the commissioner, upon request, of the steps being taken.~~

~~(b) The commissioner may temporarily suspend payments to the provider according to section 256B.04, subdivision 21, paragraph (d), if the provider does not meet the requirements in paragraph (a). Payments withheld from the provider must be made once the commissioner determines that the requirements in paragraph (a) are met.~~

~~(c) For outpatient individual and group substance use disorder services under section 254B.0505, subdivision 1, clause (1), and adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18, provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020.~~

~~(d)~~ (b) Effective January 1, 2021, and contingent on annual federal approval, managed care plans and county-based purchasing plans must reimburse providers of the substance use disorder services meeting the ~~criteria described in paragraph (a) who~~ requirements of section 254B.19 that are employed by or under contract with the plan an amount that is at least equal to the fee-for-service base rate payment for the substance use disorder services described in paragraph ~~(c)~~ (a). The commissioner must monitor the effect of this requirement on the rate of access to substance use disorder services and residential substance use disorder rates. Capitation rates paid to managed care organizations and county-based purchasing plans must reflect the impact of this requirement. This paragraph expires if federal approval is not received at any time as required under this paragraph.

~~(e)~~ (c) Effective July 1, 2021, contracts between managed care plans and county-based purchasing plans and providers to whom paragraph ~~(d)~~ (b) applies must allow recovery of payments from those providers if, for any contract year, federal approval for the provisions of paragraph ~~(d)~~ (b) is not received, and capitation rates are adjusted as a result. Payment recoveries must not exceed the amount equal to any decrease in rates that results from this provision.

~~(f)~~ (d) For substance use disorder services with medications for opioid use disorder under section 254B.0505, subdivision 1, clause (7), provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020. Upon implementation of new rates according to section 254B.121, the 20 percent increase will no longer apply.

Sec. 28. Minnesota Statutes 2025 Supplement, section 256B.0943, subdivision 1, is amended to read:

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

(b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention to treat a diagnosed mental illness, as defined in section 245.462, subdivision 20, or 245.4871, subdivision 15. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

(d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured mental health program consisting of psychotherapy for three or more individuals and individual or group skills training provided by a team, under the treatment supervision of a mental health professional.

(g) "Direct service time" means the time that a mental health professional, clinical trainee, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family or providing covered services through telehealth as defined under section 256B.0625, subdivision 3b. Direct service time includes time in which the provider obtains a client's history, develops a client's treatment plan, records individual treatment outcomes, or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling or maintaining clinical records.

(h) "Direction of mental health behavioral aide" means the activities of a mental health professional, clinical trainee, or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individual treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (7).

(i) "Individual treatment plan" means the plan described in section 245I.10, subdivisions 7 and 8.

(j) "Mental health behavioral aide services" means medically necessary one-on-one activities performed by a mental health behavioral aide qualified according to section 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously trained by a mental health professional, clinical trainee, or mental health practitioner and as described in the child's individual treatment plan ~~and individual behavior plan~~. Activities involve working directly with the child or child's family as provided in subdivision 9, paragraph (b), clause (4).

(k) "Mental health certified family peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 12.

(l) "Mental health practitioner" means a staff person who is qualified according to section 245I.04, subdivision 4.

(m) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(n) "Mental health service plan development" includes:

(1) development and revision of a child's individual treatment plan; and

(2) administering and reporting standardized outcome measurements approved by the commissioner, as periodically needed to evaluate the effectiveness of treatment.

(o) "Mental illness" has the meaning given in section 245.462, subdivision 20, paragraph (a), for persons at least 18 years of age but under 21 years of age, and has the meaning given in section 245.4871, subdivision 15, for children under 18 years of age.

(p) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

(q) "Rehabilitative services" or "psychiatric rehabilitation services" means interventions to: (1) restore a child or adolescent to an age-appropriate developmental trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric rehabilitation services for children combine coordinated psychotherapy to address internal psychological, emotional, and intellectual processing deficits, and skills training to restore personal and social functioning. Psychiatric rehabilitation services establish a progressive series of goals with each achievement building upon a prior achievement.

(r) "Skills training" means individual, family, or group training, delivered by or under the supervision of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

(s) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

(t) "Treatment supervision" means the supervision described in section 245I.06.

Sec. 29. Minnesota Statutes 2024, section 256B.0943, subdivision 6, is amended to read:

Subd. 6. **Provider entity clinical infrastructure requirements.** (a) To be an eligible provider entity under this section, a provider entity must have a clinical infrastructure that utilizes diagnostic assessment, individual treatment plans, service delivery, and individual treatment plan review that are culturally competent, child-centered, and

family-driven to achieve maximum benefit for the client. The provider entity must review, and update as necessary, the clinical policies and procedures every ~~three~~ two years, must distribute the policies and procedures to staff initially and upon each subsequent update, and must train staff accordingly.

(b) The clinical infrastructure written policies and procedures must include policies and procedures for meeting the requirements in this subdivision:

(1) providing or obtaining a client's standard diagnostic assessment, including a standard diagnostic assessment. When required components of the standard diagnostic assessment are not provided in an outside or independent assessment or cannot be attained immediately, the provider entity must determine the missing information within 30 days and amend the child's standard diagnostic assessment or incorporate the information into the child's individual treatment plan;

(2) developing an individual treatment plan;

(3) providing treatment supervision plans for staff according to section 245I.06. Treatment supervision does not include the authority to make or terminate court-ordered placements of the child. A treatment supervisor must be available for urgent consultation as required by the individual client's needs or the situation;

(4) requiring a mental health professional to determine the level of supervision for a behavioral health aide and to document and sign the supervision determination in the behavioral health aide's supervision plan;

(5) ensuring the immediate accessibility of a mental health professional, clinical trainee, or mental health practitioner to the behavioral aide during service delivery;

(6) providing service delivery that implements the individual treatment plan and meets the requirements under subdivision 9; and

(7) individual treatment plan review. The review must determine the extent to which the services have met each of the goals and objectives in the treatment plan. The review must assess the client's progress and ensure that services and treatment goals continue to be necessary and appropriate to the client and the client's family or foster family.

Sec. 30. Minnesota Statutes 2024, section 256B.0946, subdivision 4, is amended to read:

Subd. 4. **Service delivery payment requirements.** (a) To be eligible for payment under this section, a provider must develop and practice written policies and procedures for children's intensive behavioral health services, consistent with subdivision 1, paragraph (b), and comply with the following requirements in paragraphs (b) to (n).

(b) Each previous and current mental health, school, and physical health treatment provider must be contacted to request documentation of treatment and assessments that the eligible client has received. This information must be reviewed and incorporated into the standard diagnostic assessment and team consultation and treatment planning review process.

(c) Each client receiving treatment must be assessed for a trauma history, and the client's treatment plan must document how the results of the assessment will be incorporated into treatment.

(d) The level of care assessment as defined in section 245I.02, subdivision 19, and functional assessment as defined in section 245I.02, subdivision 17, must be updated at least every 180 days or prior to discharge from the service, whichever comes first.

(e) Each client receiving treatment services must have an individual treatment plan that is reviewed, evaluated, and approved every 180 days using the team consultation and treatment planning process.

(f) Clinical care consultation must be provided in accordance with the client's individual treatment plan.

(g) Each client must have a crisis plan within ten days of initiating services and must have access to clinical phone support 24 hours per day, seven days per week, during the course of treatment. The crisis plan must demonstrate coordination with the local or regional mobile crisis intervention team.

(h) Services must be delivered and documented at least three days per week, equaling at least six hours of treatment per week. If the mental health professional, client, and family agree, service units may be temporarily reduced for a period of no more than 60 days in order to meet the needs of the client and family, or as part of transition or on a discharge plan to another service or level of care. The reasons for service reduction must be identified~~,~~ and documented~~, and included~~ in the treatment plan or case file. Billing and payment are prohibited for days on which no services are delivered and documented.

(i) Location of service delivery must be in the client's home, day care setting, school, or other community-based setting that is specified on the client's individualized treatment plan.

(j) Treatment must be developmentally and culturally appropriate for the client.

(k) Services must be delivered in continual collaboration and consultation with the client's medical providers and, in particular, with prescribers of psychotropic medications, including those prescribed on an off-label basis. Members of the service team must be aware of the medication regimen and potential side effects.

(l) Parents, siblings, foster parents, legal guardians, and members of the child's permanency plan must be involved in treatment and service delivery unless otherwise noted in the treatment plan.

(m) Transition planning for the child must be conducted starting with the first treatment plan and must be addressed throughout treatment to support the child's permanency plan and postdischarge mental health service needs.

(n) In order for a provider to receive the daily per-client encounter rate, at least one of the services listed in subdivision 1, paragraph (b), clauses (1) to (3), must be provided. The services listed in subdivision 1, paragraph (b), clauses (4) and (5), may be included as part of the daily per-client encounter rate.

Sec. 31. Minnesota Statutes 2025 Supplement, section 256B.0947, subdivision 3a, is amended to read:

Subd. 3a. **Required service components.** (a) Intensive nonresidential rehabilitative mental health services, supports, and ancillary activities that are covered by a single daily rate per client must include the following, as needed by the individual client:

(1) individual, family, and group psychotherapy;

(2) individual, family, and group skills training, as defined in section 256B.0943, subdivision 1, paragraph (r);

(3) crisis planning as defined in section 245.4871, subdivision 9a;

(4) medication management provided by a ~~physician, an advanced practice registered nurse with certification in psychiatric and mental health care, or a physician assistant~~ qualified provider;

(5) mental health case management as provided in section 256B.0625, subdivision 20;

(6) medication education services as defined in this section;

(7) care coordination by a client-specific lead worker assigned by and responsible to the treatment team;

(8) psychoeducation of and consultation and coordination with the client's biological, adoptive, or foster family and, in the case of a youth living independently, the client's immediate nonfamilial support network;

(9) clinical consultation to a client's employer or school or to other service agencies or to the courts to assist in managing the mental illness or co-occurring disorder and to develop client support systems;

(10) coordination with, or performance of, crisis intervention and stabilization services as defined in section 256B.0624;

(11) transition services;

(12) co-occurring substance use disorder treatment as defined in section 245I.02, subdivision 11; and

(13) housing access support that assists clients to find, obtain, retain, and move to safe and adequate housing. Housing access support does not provide monetary assistance for rent, damage deposits, or application fees.

(b) The provider shall ensure and document the following by means of performing the required function or by contracting with a qualified person or entity: client access to crisis intervention services, as defined in section 256B.0624, and available 24 hours per day and seven days per week.

EFFECTIVE DATE. This section is effective July 1, 2027, or upon federal approval, whichever is later.

Sec. 32. Minnesota Statutes 2024, section 256B.0947, subdivision 5, is amended to read:

Subd. 5. **Standards for intensive nonresidential rehabilitative providers.** (a) Services must meet the standards in this section and chapter 245I as required in section 245I.011, subdivision 5.

(b) The treatment team must have specialized training in providing services to the specific age group of youth that the team serves. An individual treatment team must serve youth who are: (1) at least eight years of age or older and under 16 years of age~~, or~~; (2) at least 14 years of age or older and under 21 years of age; or (3) if a treatment team demonstrates to the commissioner expertise in meeting the developmental and clinical needs of an expanded age range, at least eight years of age and under 21 years of age.

(c) The treatment team for intensive nonresidential rehabilitative mental health services comprises both permanently employed core team members and client-specific team members as follows:

(1) Based on professional qualifications and client needs, clinically qualified core team members are assigned on a rotating basis as the client's lead worker to coordinate a client's care. The core team must comprise at least four full-time equivalent direct care staff and must minimally include:

(i) a mental health professional who serves as team leader to provide administrative direction and treatment supervision to the team;

(ii) ~~an advanced practice registered nurse with certification in psychiatric or mental health care or a board certified child and adolescent psychiatrist, either of which must be credentialed to prescribe medications;~~ a psychiatric care provider who is credentialed to prescribe medications and is either an advanced practice registered

nurse with advanced education and training in psychiatric and mental health care or a board-certified psychiatrist. The psychiatric care provider must have demonstrated clinical experience and qualifications for working with children and adolescents with serious mental illness and co-occurring mental illness and substance use disorders;

(iii) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10, and is also a former children's mental health consumer; and

(iv) a co-occurring disorder specialist who meets the requirements under section 256B.0622, subdivision 7a, paragraph (a), clause (4), who will provide or facilitate the provision of co-occurring disorder treatment to clients.

(2) The core team may also include any of the following:

(i) additional mental health professionals;

(ii) a vocational specialist;

(iii) an educational specialist with knowledge and experience working with youth regarding special education requirements and goals, special education plans, and coordination of educational activities with health care activities;

(iv) a child and adolescent psychiatrist who may be retained on a consultant basis;

(v) a clinical trainee qualified according to section 245I.04, subdivision 6;

(vi) a mental health practitioner qualified according to section 245I.04, subdivision 4;

(vii) a case management service provider, as defined in section 245.4871, subdivision 4;

(viii) a housing access specialist; ~~and~~

(ix) a family peer specialist as defined in subdivision 2, paragraph (j)~~.~~; and

(x) a registered nurse, as defined in section 148.171, subdivision 20.

(3) A treatment team may include, in addition to those in clause (1) or (2), ad hoc members not employed by the team who consult on a specific client and who must accept overall clinical direction from the treatment team for the duration of the client's placement with the treatment team and must be paid by the provider agency at the rate for a typical session by that provider with that client or at a rate negotiated with the client-specific member. Client-specific treatment team members may include:

(i) the mental health professional treating the client prior to placement with the treatment team;

(ii) the client's current substance use counselor, if applicable;

(iii) a lead member of the client's individualized education program team or school-based mental health provider, if applicable;

(iv) a representative from the client's health care home or primary care clinic, as needed to ensure integration of medical and behavioral health care;

(v) the client's probation officer or other juvenile justice representative, if applicable; and

(vi) the client's current vocational or employment counselor, if applicable.

(d) The treatment supervisor shall be an active member of the treatment team and shall function as a practicing clinician at least on a part-time basis. The treatment team shall meet with the treatment supervisor at least weekly to discuss recipients' progress and make rapid adjustments to meet recipients' needs. The team meeting must include client-specific case reviews and general treatment discussions among team members. Client-specific case reviews and planning must be documented in the individual client's treatment record.

(e) The staffing ratio must not exceed ten clients to one full-time equivalent treatment team position.

(f) The treatment team shall serve no more than 80 clients at any one time. Should local demand exceed the team's capacity, an additional team must be established rather than exceed this limit.

(g) Nonclinical staff shall have prompt access in person or by telephone to a mental health practitioner, clinical trainee, or mental health professional. The provider shall have the capacity to promptly and appropriately respond to emergent needs and make any necessary staffing adjustments to ensure the health and safety of clients.

(h) The intensive nonresidential rehabilitative mental health services provider shall participate in evaluation of the assertive community treatment for youth (Youth ACT) model as conducted by the commissioner, including the collection and reporting of data and the reporting of performance measures as specified by contract with the commissioner.

(i) A regional treatment team may serve multiple counties.

Sec. 33. Minnesota Statutes 2025 Supplement, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner must adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Cost-sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

(e) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic services or testing that a health care provider determines an enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

(f) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

(g) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or treatment of the human immunodeficiency virus (HIV).

(h) Co-payments, coinsurance, and deductibles do not apply to mobile crisis intervention, crisis stabilization provided in a community setting, or crisis assessment as defined in section 256B.0624, subdivision 2.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2024, section 256B.0759, subdivisions 2 and 5, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 254B.052, subdivision 6, is repealed.

ARTICLE 7
HOMELESSNESS, HOUSING, AND SUPPORT SERVICES POLICY

Section 1. Minnesota Statutes 2024, section 245.991, subdivision 3, is amended to read:

Subd. 3. **Allowable grant activities.** Grantees must provide homeless outreach and case management services. Projects may provide clinical assessment, habilitation and rehabilitation services, community mental health services, substance use disorder treatment, housing transition and sustaining services, or direct assistance funding. Services must be provided to individuals with a serious mental illness, substance use disorder, or ~~with a~~ co-occurring substance use disorder~~, and~~ who are homeless or at imminent risk of homelessness. Individuals receiving homeless outreach services may be presumed eligible until a serious mental illness can be verified.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 245.992, subdivision 2, is amended to read:

Subd. 2. **Eligible beneficiaries.** Program activities must be provided to people with a serious mental illness, substance use disorder, or ~~with a~~ co-occurring substance use disorder~~,~~ who meet homeless criteria determined by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2026.

ARTICLE 8
MALTREATMENT OF VULNERABLE ADULTS

Section 1. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 1a. **Adult protective services.** Adult protective services must receive referrals from the common entry point and carry out lead investigative agency duties to investigate for a determination of responsibility for maltreatment. When the county social services agency is the lead investigative agency, or when the Department of Human Services or Department of Health in the role of the lead investigative agency request adult protective services, adult protective services must conduct assessments, develop services plans, and implement interventions to safeguard adults who are vulnerable and suspected of experiencing maltreatment. Adult protective services must conclude services following final determination of maltreatment and the adult is assessed as safe. The Department of Human Services is the state agency responsible for supervision of adult protective services administered by county social services agencies.

Sec. 2. Minnesota Statutes 2024, section 626.557, subdivision 9, is amended to read:

Subd. 9. **Common entry point designation.** (a) The commissioner of human services shall establish a common entry point. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to ~~take calls~~ accept reports from reporters of suspected maltreatment and make required referrals for suspected maltreatment of a vulnerable adult. The common entry point shall use a standard intake form that includes:

(1) the time and date of the report;

(2) the name, relationship, and identifying and contact information for the person believed to be a vulnerable adult and the individual or facility alleged responsible for maltreatment;

(3) the name, relationship, and contact information for the:

(i) reporter;

(ii) initial reporter, witnesses, and persons who may have knowledge about the maltreatment; and

(iii) legal surrogate and persons who may provide support to the vulnerable adult;

(4) the basis of vulnerability for the vulnerable adult;

(5) the time, date, and location of the incident;

(6) the immediate safety risk to the vulnerable adult;

(7) a description of the suspected maltreatment;

(8) the impact of the suspected maltreatment on the vulnerable adult;

(9) whether a facility was involved and, if so, which agency licenses the facility;

(10) the actions taken to protect the vulnerable adult;

(11) the required notifications and referrals made by the common entry point; and

(12) whether the reporter wishes to receive notification of the disposition.

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate lead investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead investigative agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.

(g) The commissioner of human services shall maintain a centralized database for the collection of common entry point data, lead investigative agency data including maltreatment report disposition, and appeals data. The common entry point shall have access to the centralized database and must log the reports into the database.

(h) When appropriate, the common entry point staff must refer calls that do not allege the abuse, neglect, or exploitation of a vulnerable adult to other organizations that might resolve the reporter's concerns.

(i) A common entry point must be operated in a manner that enables the commissioner of human services to:

(1) track critical steps in the reporting, evaluation, referral, response, disposition, and investigative process to ensure compliance with all requirements for all reports;

(2) maintain data to facilitate the production of aggregate statistical reports for monitoring patterns of abuse, neglect, or exploitation;

(3) serve as a resource for the evaluation, management, and planning of preventative and remedial services for vulnerable adults who have been subject to abuse, neglect, or exploitation;

(4) set standards, priorities, and policies to maximize the efficiency and effectiveness of the common entry point; and

(5) track and manage consumer complaints related to the common entry point.

(j) The commissioners of human services and health shall collaborate on the creation of a system for referring reports to the lead investigative agencies. This system shall enable the commissioner of human services to track critical steps in the reporting, evaluation, referral, response, disposition, investigation, notification, determination, and appeal processes.

Sec. 3. Minnesota Statutes 2024, section 626.557, subdivision 9a, is amended to read:

Subd. 9a. **Evaluation and referral of reports made to common entry point.** (a) The common entry point must screen the reports of alleged or suspected maltreatment for immediate risk and make all necessary referrals ~~as follows~~ using the referral guidelines established by the commissioner and the following:

(1) if the common entry point determines that there is an immediate need for emergency adult protective services, the common entry point agency shall immediately notify the appropriate county agency;

(2) if the report contains suspected criminal activity against a vulnerable adult, the common entry point shall immediately notify the appropriate law enforcement agency;

(3) the common entry point shall refer all reports of alleged or suspected maltreatment to the appropriate lead investigative agency as soon as possible, but in any event no longer than two working days;

(4) if the report contains information about a suspicious death, the common entry point shall immediately notify the appropriate law enforcement agencies, the local medical examiner, and the ombudsman for mental health and developmental disabilities established under section 245.92. Law enforcement agencies shall coordinate with the local medical examiner and the ombudsman as provided by law; and

(5) for reports involving multiple locations or changing circumstances, the common entry point shall determine the county agency responsible for emergency adult protective services and the county responsible as the lead investigative agency~~, using referral guidelines established by the commissioner~~.

(b) If the lead investigative agency receiving a report believes the report was referred by the common entry point in error, the lead investigative agency shall immediately notify the common entry point of the error, including the basis for the lead investigative agency's belief that the referral was made in error. The common entry point shall review the information submitted by the lead investigative agency and immediately refer the report to the appropriate lead investigative agency using the referral guidelines established by the commissioner.

Sec. 4. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11b. **County social services agency; responsibilities.** The county social services agency is responsible for supervision of:

(1) intake decisions for initial disposition of the report;

(2) agency prioritization used to screen out an adult meeting eligibility for adult protective services as vulnerable and maltreated;

(3) safety, assessment, and services plans;

(4) protective service interventions;

(5) use of guardianship and other involuntary interventions;

(6) final determination for maltreatment; and

(7) case closure decisions.

Sec. 5. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11c. **County social services agency; referrals.** (a) When the common entry point refers a report to the county social services agency as the lead investigative agency or makes a referral to the county social services agency for emergency adult protective services, or when another lead investigative agency requests adult protective services from the county social services agency for an adult referred to that lead investigative agency by the common entry point, the county social services agency must use the data report system and standardized decision and assessment tools provided by the commissioner of human services. The information entered by the county social services agency into the data system and standardized tools must be accessible to the Department of Human Services for the department to meet federal requirements, evaluate consistent application of policy, review quality of services and outcomes for adults, and meet requirements for background studies and disqualification of individuals determined responsible for vulnerable adult maltreatment under chapter 245C.

(b) The county social services agency must screen the report using the standardized tools provided by the commissioner to determine:

(1) whether the referred adult meets adult protective services eligibility as potentially vulnerable and maltreated under this section; and

(2) the response time required to initiate adult protective services.

(c) For reports referred by the common entry point for emergency adult protective services, the county social services agency must immediately screen the report to determine whether the adult should be accepted for emergency adult protective services. If the adult is accepted for emergency adult protective services, the county social services agency must immediately offer protective services to prevent further maltreatment and safeguard the welfare of the vulnerable adult. Assessment of adults accepted by the county social services agency for emergency protective services must be conducted in person by the agency or a designee within 24 hours of the agency receiving the referral. When sexual or physical abuse is suspected, the county social services agency must immediately arrange for and make available to the vulnerable adult appropriate medical examination and services.

(d) For reports referred by the common entry point to the county as lead investigative agency, the county social services agency must screen the report and make an initial determination within seven calendar days following receipt of the report from the common entry point on whether the adult should be accepted for adult protective services.

(e) For referrals made for adult protective services by the Department of Human Services or the Department of Health in the applicable department's role as the lead investigative agency responsible for reports made under this section, the county social services agency must screen the report and determine within seven calendar days following receipt of referral whether the adult should be accepted for adult protective services.

(f) If an adult meets eligibility requirements but is not accepted for adult protective services based on local agency prioritization, the agency must document the reason for the screening decision in the standardized tool provided by the commissioner.

Sec. 6. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11d. **County social services agency; assessments.** (a) For adults accepted into adult protective services, the county social services agency must decide, prior to initiation of assessment activities, if the agency must also conduct an investigation for final disposition for responsibility of maltreatment in addition to the assessment for adult protective services.

(b) The county social services agency must conduct assessments concurrently with investigations when: (1) the county is both the lead investigative agency and responsible for making a final determination of responsibility for maltreatment; or (2) another lead investigative agency responsible for the final determination of maltreatment requests assistance from the county social services agency.

(c) The county social services agency must conduct an in-person assessment to initiate adult protective services:

(1) within 24 hours of accepting a referral for emergency protective services;

(2) within 24 hours of making an initial disposition that the adult is in immediate need of protection, unless an in-person response would endanger the safety of the adult; or

(3) within 72 hours but in no instance later than seven calendar days from the first business day after receiving the report for adults accepted for adult protective services.

(d) The county social services agency must use the standardized decision, assessment, and service planning tools provided by the commissioner with all vulnerable adults accepted for adult protective services. The county social services agency must involve the vulnerable adult in the assessment and service plan. The county social services agency must document and update assessment and service plans consistent with significant changes in the vulnerable adult's health and safety.

(e) The county social services agency must notify the vulnerable adult and, if applicable, the guardian or health care agent of the vulnerable adult of the results of the assessment and service plan, including but not limited to recommendations for protective services intervention to stop or prevent maltreatment and to protect the vulnerable adult's health, safety, and comfort. When necessary to prevent further maltreatment or safeguard the vulnerable adult, the county social services agency may share the results of the assessment with the vulnerable adult's primary supports.

Sec. 7. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11e. **County social services agency; investigations.** (a) The county social services agency must investigate for a final disposition of responsibility for maltreatment for an allegation of:

(1) abuse;

(2) financial abuse by a fiduciary;

(3) financial exploitation involving a nonfiduciary that may be criminal or that involved force, coercion, harassment, deception, fraud, undue influence, or a scam;

(4) financial exploitation that involved another type of maltreatment;

(5) caregiver neglect by a paid caregiver or personal care assistance provider under chapter 256B;

(6) caregiver neglect by an unpaid caregiver that resulted in intentional harm to the vulnerable adult or involved another type of maltreatment; and

(7) a situation for which the county social services agency finds that a determination of responsibility of maltreatment may safeguard a vulnerable adult or prevent further maltreatment.

(b) The county social services agency must conduct an investigation for final disposition of responsibility for maltreatment if the agency receives information during an assessment that indicates the presence of any scenario listed in paragraph (a) or subdivision 11f.

Sec. 8. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11f. **County social services agency; self-neglect.** (a) The county social services agency may determine that an allegation that does not result in a determination of responsibility for maltreatment is:

(1) self-neglect;

(2) neglect by an unpaid caregiver that did not result in intentional harm to the vulnerable adult and did not involve another type of alleged maltreatment; or

(3) financial exploitation by a nonfiduciary that is consistent with the choice of the adult and not criminal or involving force, coercion, harassment, deception, fraud, undue influence, a scam, or another type of alleged maltreatment.

(b) An allegation of self-neglect is a substantiated determination if the county social services agency determines that adult protective services are needed.

Sec. 9. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11g. **County social services agency; initial contact.** (a) At the initial contact with the vulnerable adult accepted by the county social services agency, the agency must provide the vulnerable adult with information about the process for adult protective services and the vulnerable adult's rights as an adult protective client.

(b) At initial contact, the county social services agency must inform the individual or entity alleged responsible for maltreatment of the allegation in a manner consistent with requirements under this section to protect the identity of the reporter. The interview with the individual or entity alleged responsible for maltreatment may be postponed at the request of a law enforcement agency or if the interview may endanger the safety of the vulnerable adult.

Sec. 10. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11h. **County social services agency; agency authority.** (a) A county social services agency may enter all facilities and business premises of a licensed provider to inspect and copy records as part of an adult protective services assessment or investigation. The licensed provider must provide the county social services agency access to not public data as defined in section 13.02, subdivision 8a, and medical records under sections 144.291 to 144.298 that are maintained at the facilities and business premises to the extent that the data and records are necessary to conduct the agency's investigation. The licensed provider must provide the county social services agency access to all available sources of information at the facilities and business premises, not only written records.

(b) When necessary in order to protect a vulnerable adult from serious harm from maltreatment, the county social services agency may seek any of the following protective services interventions:

(1) emergency protective services;

(2) participation of law enforcement or emergency medical services;

(3) authority from a court to remove an adult from the situation in which maltreatment occurred;

(4) a restraining order or court order for removal of the perpetrator from the residence of the vulnerable adult pursuant to section 518B.01;

(5) a referral for a financial transaction hold under chapter 45A or a protective arrangement under this chapter or chapter 524;

(6) a referral for a representative payee;

(7) a referral to the prosecuting attorney for possible criminal prosecution of the perpetrator under chapter 609;

(8) the appointment or replacement of a guardian or conservator pursuant to sections 524.5-101 to 524.5-502, or guardianship or conservatorship pursuant to chapter 252A when maltreatment has been substantiated and when less restrictive interventions are not sufficient to stop or reduce the risk of serious harm from maltreatment; and

(9) other interventions recommended by a multidisciplinary team under this section.

(c) The county social services agency may seek the protective services interventions under paragraph (b) regardless of the vulnerable adult's voluntary or involuntary participation.

(d) The county social services agency may offer voluntary service interventions to support the vulnerable adult or primary supports to stop, reduce the risk for, or prevent subsequent maltreatment.

Sec. 11. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11i. **County social services agency; legal intervention.** (a) In proceedings under sections 524.5-101 to 524.5-502, if a suitable relative or other person is not available to petition for guardianship or conservatorship, a county employee must present the petition with representation by the county attorney. The county must contract with or arrange for a suitable person or organization to provide ongoing guardianship services. If the county presents evidence to the court exercising probate jurisdiction that the county has made diligent effort and no other suitable person can be found, a county employee may serve as guardian or conservator.

(b) The county must not retaliate against the employee for any action taken on behalf of the person subject to guardianship or conservatorship, even if the action is adverse to the county's interests. Any person retaliated against in violation of this subdivision shall have a cause of action against the county and is entitled to reasonable attorney fees and costs of the action if the action is upheld by the court.

(c) The expenses of a legal intervention must be paid by the county in the case of indigent persons under section 524.5-502 and chapter 563.

Sec. 12. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11j. **County social services agency; conflict of interest.** (a) A county that identifies a potential conflict of interest under paragraph (c) related to an investigation, assessment, or protective services intervention must coordinate with another county social services agency to delegate the initial county's authority as the lead investigative agency to remediate the potential conflict. County social services agencies must cooperate and accept jurisdiction when an initial county social services agency identifies a potential conflict of interest and requests the other county's assistance.

(b) The initial county must notify the commissioner of human services when no other county is available to accept delegation of adult protective services duties. If the commissioner is notified that no other county is available, the commissioner may use the authority under subdivision 9a to determine the county social services agency responsible as lead investigative agency and for adult protective services.

(c) A county social services agency employee or designee must not have:

(1) a personal or family relationship with a party in the investigation or assessment;

(2) a dual relationship, as defined in Code of Federal Regulations, title 45, section 1324.401, with the vulnerable adult;

(3) a personal financial interest or financial relationship with a provider receiving referrals from the employee; or

(4) any other appearance of conflict of interest as determined by the county social services agency.

Sec. 13. Minnesota Statutes 2024, section 626.557, subdivision 12b, is amended to read:

Subd. 12b. **Data management.** (a) In performing any of the duties of this section as a lead investigative agency, the county social ~~service~~ services agency shall maintain appropriate records. Data collected by the county social ~~service~~ services agency under this section while providing adult protective services are welfare data under section 13.46. Investigative data collected under this section are confidential data on individuals or protected nonpublic data as defined under section 13.02. Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02. The identity of the reporter may only be disclosed as provided in paragraph (c).

Data maintained by the common entry point are confidential data on individuals or protected nonpublic data as defined in section 13.02. Notwithstanding section 138.163, the common entry point shall maintain data for three calendar years after date of receipt and then destroy the data unless otherwise directed by federal requirements.

(b) The commissioners of health and human services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. County social ~~service~~ services agencies must maintain private data on individuals but are not required to prepare an investigation memorandum. During an investigation

by the commissioner of health or the commissioner of human services, data collected under this section are confidential data on individuals or protected nonpublic data as defined in section 13.02. Upon completion of the investigation, the data are classified as provided in clauses (1) to (3) and paragraph (c).

(1) The investigation memorandum must contain the following data, which are public:

(i) the name of the facility investigated;

(ii) a statement of the nature of the alleged maltreatment;

(iii) pertinent information obtained from medical or other records reviewed;

(iv) the identity of the investigator;

(v) a summary of the investigation's findings;

(vi) statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;

(vii) a statement of any action taken by the facility;

(viii) a statement of any action taken by the lead investigative agency; and

(ix) when a lead investigative agency's determination has substantiated maltreatment, a statement of whether an individual, individuals, or a facility were responsible for the substantiated maltreatment, if known.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the names or, to the extent possible, data on individuals or private data listed in clause (2).

(2) Data on individuals collected and maintained in the investigation memorandum are private data, including:

(i) the name of the vulnerable adult;

(ii) the identity of the individual alleged to be the perpetrator;

(iii) the identity of the individual substantiated as the perpetrator; and

(iv) the identity of all individuals interviewed as part of the investigation.

(3) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation.

(c) The name of the reporter must be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by a court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

(d) Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services and county adult protective services must be maintained under the following schedule and then destroyed unless otherwise directed by federal requirements:

(1) data from reports determined to be false, maintained for three years after the finding was made for reports under the jurisdiction of the Department of Human Services or the Department of Health and five years after the finding was made for reports under the jurisdiction of county adult protective services;

(2) data from reports determined to be inconclusive, maintained for four years after the finding was made for reports under the jurisdiction of the Department of Human Services or the Department of Health and five years after the finding was made for reports under the jurisdiction of county adult protective services;

(3) data from reports determined to be substantiated, maintained for seven years after the finding was made; and

(4) data from reports which were not investigated by a lead investigative agency and for which there is no final disposition, maintained for three years from the date of the report for reports under the jurisdiction of the Department of Human Services or the Department of Health and five years from the date of the report for reports under the jurisdiction of county adult protective services.

(e) The commissioners of health and human services shall annually publish on their websites the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigation under this section, and the resolution of those investigations.

~~(f) Each lead investigative agency must have a record retention policy.~~

~~(g)~~ (f) Lead investigative agencies, county agencies responsible for adult protective services, prosecuting authorities, and law enforcement agencies may exchange not public data, as defined in section 13.02, with a tribal agency, facility, service provider, vulnerable adult, primary support person for a vulnerable adult, emergency management service, financial institution, medical examiner, state licensing board, federal or state agency, the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities, if the agency or authority providing the data determines that the data are pertinent and necessary to prevent further maltreatment of a vulnerable adult, to safeguard a vulnerable adult, or for an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, the commissioner of human services as the state Medicaid agency, and licensing agencies investigating the alleged maltreatment under this section. The lead investigative agency shall exchange not public data with the vulnerable adult maltreatment review panel established in section 256.021 if the data are pertinent and necessary for a review requested under that section. Notwithstanding section 138.17, upon completion of the review, not public data received by the review panel must be destroyed.

~~(h)~~ (g) Each lead investigative agency shall keep records of the length of time it takes to complete its investigations.

~~(i)~~ (h) A lead investigative agency may notify other affected parties and their authorized representative if the lead investigative agency has reason to believe maltreatment has occurred and determines the information will safeguard the well-being of the affected parties or dispel widespread rumor or unrest in the affected facility.

~~(j)~~ (i) Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead investigative agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

(j) When a county agency acting as the lead investigative agency is aware the person determined responsible for maltreatment is a guardian or conservator appointed under chapter 524, the county agency must share the final determination with the state judicial branch within 14 calendar days of the determination.

Sec. 14. Minnesota Statutes 2024, section 626.5572, subdivision 2, is amended to read:

Subd. 2. **Abuse.** "Abuse" means:

(a) An act against a vulnerable adult that constitutes a violation of, an attempt to violate, or aiding and abetting a violation of:

(1) assault in the first through fifth degrees as defined in sections 609.221 to 609.224;

(2) the use of drugs to injure or facilitate crime as defined in section 609.235;

(3) the solicitation, inducement, and promotion of prostitution as defined in section 609.322; and

(4) criminal sexual conduct in the first through fifth degrees as defined in sections 609.342 to 609.3451.

A violation includes any action that meets the elements of the crime, regardless of whether there is a criminal proceeding or conviction.

(b) Conduct which is not an accident or therapeutic conduct as defined in this section, which produces or could reasonably be expected to produce physical pain or injury or emotional distress including, but not limited to, the following:

(1) hitting, slapping, kicking, pinching, biting, or corporal punishment of a vulnerable adult;

(2) use of repeated or malicious oral, written, or gestured language toward a vulnerable adult or the treatment of a vulnerable adult which would be considered by a reasonable person to be disparaging, derogatory, humiliating, harassing, or threatening; or

(3) use of any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, including the forced separation of the vulnerable adult from other persons against the will of the vulnerable adult or the legal representative of the vulnerable adult unless authorized under applicable licensing requirements or Minnesota Rules, chapter 9544.

(c) Any contact with the vulnerable adult that is not therapeutic conduct and a reasonable person would consider a sexual act or any nonconsensual sexual interaction with the vulnerable adult, including but not limited to:

(1) making, viewing, or sharing sexual images or videos with or of the vulnerable adult; and

(2) using oral, written, gestured, or electronic communication that is sexually harassing, including but not limited to unwelcome sexual advances or requests for sexual favors.

~~(c)~~ (d) Any sexual contact or penetration as defined in section 609.341, between a facility staff person or a person providing services in the facility and a resident, patient, or client of that facility.

~~(d)~~ (e) The act of forcing, compelling, coercing, or enticing a vulnerable adult against the vulnerable adult's will to perform services for the advantage of another.

~~(e)~~ (f) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C or 252A, or section 253B.03 or 524.5-313, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or, where permitted under law, to provide nutrition and hydration parenterally or through intubation. This paragraph does not enlarge or diminish rights otherwise held under law by:

(1) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(2) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct.

~~(f)~~ (g) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult.

~~(g)~~ (h) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with:

(1) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(2) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship.

Sec. 15. Minnesota Statutes 2024, section 626.5572, is amended by adding a subdivision to read:

Subd. 3a. **Adult protective services.** "Adult protective services" means an adult protection program administered by a county social services agency under the authority of the agency's governing body or delegated to a Tribal government by the commissioner of human services to support adults referred for maltreatment to live safely and with dignity.

Sec. 16. Minnesota Statutes 2024, section 626.5572, is amended by adding a subdivision to read:

Subd. 3b. **Assessment.** "Assessment" means a structured process conducted by a county social services agency to review the safety, strengths, and needs of an adult referred as vulnerable and maltreated and accepted by the agency for adult protective services and to develop a service plan to stop, prevent, and reduce risk of maltreatment for the adult using standardized tools provided by the Department of Human Services.

Sec. 17. Minnesota Statutes 2024, section 626.5572, subdivision 9, is amended to read:

Subd. 9. **Financial exploitation.** "Financial exploitation" means:

(a) In breach of a fiduciary obligation recognized elsewhere in law, including pertinent regulations, contractual obligations, documented consent by a competent person, or the obligations of a responsible party under section 144.6501, a person:

(1) engages in unauthorized expenditure of funds entrusted to the actor by the vulnerable adult which results or is likely to result in detriment to the vulnerable adult; or

(2) fails to use the financial resources of the vulnerable adult to provide food, clothing, shelter, health care, therapeutic conduct or supervision for the vulnerable adult, and the failure results or is likely to result in detriment to the vulnerable adult.

(b) In the absence of legal authority a person:

(1) willfully uses, withholds, or disposes of funds or property of a vulnerable adult;

(2) obtains for the actor or another the performance of services by ~~a third person~~ the vulnerable adult for the wrongful profit or advantage of the actor or another to the detriment of the vulnerable adult;

(3) acquires possession or control of, or an interest in, funds or property of a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud; or

(4) forces, compels, coerces, or entices a vulnerable adult against the vulnerable adult's will to perform services for the profit or advantage of another.

(c) Nothing in this definition requires a facility or caregiver to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

Sec. 18. Minnesota Statutes 2024, section 626.5572, is amended by adding a subdivision to read:

Subd. 12a. **Investigation.** "Investigation" means activities for fact gathering conducted by the lead investigative agency to make a final determination of maltreatment.

Sec. 19. Minnesota Statutes 2025 Supplement, section 626.5572, subdivision 13, is amended to read:

Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary administrative agency responsible for investigating reports made under section 626.557.

(a) The Department of Health is the lead investigative agency for facilities or services licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding care homes, hospice providers, residential facilities that are also federally certified as intermediate care facilities that serve people with developmental disabilities, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Health for the care of vulnerable adults. "Home care provider" has the meaning provided in section 144A.43, subdivision 4, and applies when care or services are delivered in the vulnerable adult's home.

(b) The Department of Human Services is the lead investigative agency for facilities or services licensed or required to be licensed as adult day care, adult foster care, community residential settings, programs for people with disabilities, EIDBI agencies, family adult day services, mental health programs, mental health clinics, substance use disorder programs, the Minnesota Sex Offender Program, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Human Services. The Department of Human Services is also the lead investigative agency for unlicensed EIDBI agencies under section 256B.0949.

(c) The county social ~~service~~ services agency adult protective services or ~~its~~ the agency's designee or a federally recognized Indian Tribe that entered into a contractual agreement with the commissioner of human services to operate adult protective services is the lead investigative agency for all other reports, including but not limited to reports involving vulnerable adults receiving services from a personal care provider organization under section 256B.0659 or 256B.85.

Sec. 20. Minnesota Statutes 2024, section 626.5572, subdivision 17, is amended to read:

Subd. 17. **Neglect.** (a) "Neglect" means neglect by a caregiver or self-neglect.

(b) "Caregiver neglect" means the failure or omission by a caregiver to supply a vulnerable adult with care or services, including but not limited to, food, clothing, shelter, health care, or supervision which is:

(1) reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical and mental capacity or dysfunction of the vulnerable adult; and

(2) which is not the result of an accident or therapeutic conduct.

(c) "Self-neglect" means neglect by a vulnerable adult of the vulnerable adult's own food, clothing, shelter, health care, financial management, or other services that are not the responsibility of a caregiver which a reasonable person would deem essential to obtain or maintain the vulnerable adult's health, safety, or comfort.

(d) For purposes of this section, a vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C, or 252A, or sections 253B.03 or 524.5-101 to 524.5-502, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult, or, where permitted under law, to provide nutrition and hydration parenterally or through intubation; this paragraph does not enlarge or diminish rights otherwise held under law by:

(i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct; ~~or~~

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult;

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with:

(i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship; ~~or~~

(4) an individual makes an error in the provision of therapeutic conduct to a vulnerable adult which does not result in injury or harm which reasonably requires medical or mental health care; or

(5) an individual makes an error in the provision of therapeutic conduct to a vulnerable adult that results in injury or harm, which reasonably requires the care of a physician, and:

(i) the necessary care is provided in a timely fashion as dictated by the condition of the vulnerable adult;

(ii) if after receiving care, the health status of the vulnerable adult can be reasonably expected, as determined by the attending physician, to be restored to the vulnerable adult's preexisting condition;

(iii) the error is not part of a pattern of errors by the individual;

(iv) if in a facility, the error is immediately reported as required under section 626.557, and recorded internally in the facility;

(v) if in a facility, the facility identifies and takes corrective action and implements measures designed to reduce the risk of further occurrence of this error and similar errors; and

(vi) if in a facility, the actions required under items (iv) and (v) are sufficiently documented for review and evaluation by the facility and any applicable licensing, certification, and ombudsman agency.

(e) Nothing in this definition requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

(f) If the findings of an investigation by a lead investigative agency result in a determination of substantiated maltreatment for the sole reason that the actions required of a facility under paragraph (d), clause (5), item (iv), (v), or (vi), were not taken, then the facility is subject to a correction order. An individual will not be found to have neglected or maltreated the vulnerable adult based solely on the facility's not having taken the actions required under paragraph (d), clause (5), item (iv), (v), or (vi). This must not alter the lead investigative agency's determination of mitigating factors under section 626.557, subdivision 9c, paragraph (f).

Sec. 21. **REPEALER.**

Minnesota Statutes 2024, section 626.557, subdivision 10, is repealed.

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

ARTICLE 9
MISCELLANEOUS POLICY

Section 1. Minnesota Statutes 2024, section 62Q.75, subdivision 4, is amended to read:

Subd. 4. **Claims adjustment timeline.** (a) Once a clean claim, as defined in section 62Q.75, subdivision 1, has been paid, the contract must provide a 12-month deadline on all adjustments to and recoupments of the payment with the exception of payments related to ~~coordination of benefits, subrogation, duplicate claims, retroactive terminations, and~~ cases of fraud and abuse.

(b) Paragraph (a) shall not apply to pharmacy contracts entered into between or on behalf of health plan companies.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to all contracts effective on or after that date.

Sec. 2. Minnesota Statutes 2025 Supplement, section 245C.03, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities ~~and providers of housing stabilization services.~~** (a) For providers of services specified in the federally approved home and community-based waiver plans under section 256B.4912 ~~and providers of housing~~

~~stabilization services under section 256B.051~~, the commissioner shall conduct background studies on any individual who is an owner with at least a five percent ownership stake in the provider, an operator of the provider, or an employee or volunteer for the provider who has direct contact with people receiving the services. The individual studied must meet the requirements of this chapter prior to providing waiver services and as part of ongoing enrollment.

(b) The requirements in paragraph (a) apply to consumer-directed community supports under section 256B.4911.

(c) For purposes of this section, "operator" includes but is not limited to a managerial officer who oversees the billing, management, or policies of the services provided.

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 245C.10, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities ~~and providers of housing stabilization services~~.** The commissioner shall recover the cost of background studies initiated by unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities under section 256B.4912 ~~and providers of housing stabilization services under section 256B.051~~ through a fee of no more than $44 per study.

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

Sec. 4. Minnesota Statutes 2025 Supplement, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E. A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) The commissioner shall revalidate:

(1) each provider under this subdivision at least once every five years;

(2) each personal care assistance agency, CFSS provider-agency, and CFSS financial management services provider under this subdivision at least once every three years;

(3) each EIDBI agency under this subdivision at least once every three years; and

(4) at the commissioner's discretion, any medical-assistance-only provider type the commissioner deems "high-risk" under this subdivision.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and

(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.

(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the

commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:

(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;

(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and

(3) serves primarily a pediatric population.

(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high-risk for fraud, waste, or abuse.

(l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.

(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.

(m) The Department of Human Services may require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the provider or category of providers is designated high-risk pursuant to paragraph (f) and as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider currently maintains a surety bond under the requirements in section ~~256B.051,~~ 256B.0659, 256B.0701, or 256B.85.

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

Sec. 5. Minnesota Statutes 2024, section 256B.0658, is amended to read:

256B.0658 HOUSING ACCESS GRANTS.

Subdivision 1. **Establishment.** The commissioner of human services shall award through a competitive process contracts for grants to public and private agencies to support and assist individuals with a disability ~~as defined in section 256B.051, subdivision 2, paragraph (e),~~ to access housing.

Subd. 2. **Definition.** (a) For the purposes of this section, the term defined in this subdivision has the meaning given.

(b) "Individual with a disability" means:

(1) an individual who is aged, blind, or disabled as determined by the criteria under sections 216(i)(1) and 221 of the Social Security Act; or

(2) an individual who meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), clause (1), (4), (5) to (8), or (13).

Subd. 3. **Allowable uses of grant funds.** Grants may be awarded to agencies that may include, but are not limited to, the following supports: assessment to ensure suitability of housing, accompanying an individual to look at housing, filling out applications and rental agreements, meeting with landlords, helping with Section 8 or other program applications, helping to develop a budget, obtaining furniture and household goods, if necessary, and assisting with any problems that may arise with housing.

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

Sec. 6. Minnesota Statutes 2025 Supplement, section 256B.0701, subdivision 9, is amended to read:

Subd. 9. **Provider qualifications and duties.** A provider is eligible for reimbursement under this section only if the provider:

(1) is confirmed by the commissioner as an eligible provider after a pre-enrollment risk assessment under subdivision 10;

(2) is enrolled as a medical assistance Minnesota health care program provider and meets all applicable provider standards and requirements;

~~(3) demonstrates compliance with federal and state laws and policies for housing stabilization services as determined by the commissioner;~~

~~(4)~~ (3) complies with background study requirements under chapter 245C and maintains documentation of background study requests and results;

~~(5)~~ (4) provides at the time of enrollment, reenrollment, and revalidation in a format determined by the commissioner, proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's medical assistance revenue in the previous calendar year is $300,000 or less, the provider agency must purchase a surety bond of $50,000. If the provider's medical assistance revenue in the previous year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

~~(6)~~ (5) ensures all controlling individuals and employees of the agency complete annual vulnerable adult training;

~~(7)~~ (6) completes compliance training as required under subdivision 11; and

~~(8)~~ (7) complies with the habitability inspection requirements in subdivision 13.

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

Sec. 7. Minnesota Statutes 2024, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** (a) "Covered health services" means the health services reimbursed under chapter 256B, with the exception of special education services, home care nursing services, nonemergency medical transportation services, personal care assistance and case management services, community first services and supports under section 256B.85, behavioral health home services under section 256B.0757, ~~housing stabilization services under section 256B.051,~~ and nursing home or intermediate care facilities services.

(b) Covered health services shall be expanded as provided in this section.

(c) For the purposes of covered health services under this section, "child" means an individual younger than 19 years of age.

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

Sec. 8. **DIRECTION TO COMMISSIONER; RULEMAKING.**

The commissioner of human services must amend Minnesota Rules, part 9505.2165, subpart 4, item C, to remove the citation to United States Code, title 42, section 1320a-7b(b)(3)(D), and insert a citation to United States Code, title 42, section 1320a-7b(b). The commissioner may use the procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), for changes to Minnesota Rules pursuant to this section. Minnesota Statutes, section 14.386, does not apply to rules adopted pursuant to this section except as provided under Minnesota Statutes, section 14.388.

Sec. 9. **DIRECTION TO COMMISSIONER; UNREDACTED INITIAL OPTUM REPORTS.**

(a) For purposes of this section, "initial Optum reports" means the reports produced by Optum, Inc., under contract with the Department of Human Services and announced in the news release from the department on February 6, 2026.

(b) Notwithstanding any law to the contrary, upon a joint request by the chairs and ranking minority members of a legislative committee with jurisdiction over human services policy and finance, the commissioner of human services must immediately release the initial Optum reports to the members of that legislative committee in the reports' entirety without redactions or edits, except for redactions requested by Optum to protect proprietary information. Legislators or legislative staff who receive initial Optum reports under this section must not disseminate or publicize any not public data, as defined in Minnesota Statutes, section 13.02, subdivision 8a, that the reports contain.

EFFECTIVE DATE. This section is effective 14 days following final enactment.

Sec. 10. **OPTUM PROHIBITED FROM DISSEMINATING PRIVATE DATA.**

Optum, Inc., must not sell, share, or disseminate any private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, that Optum receives under or incidental to Optum's contract or engagement with the Department of Human Services pursuant to the governor's Executive Order No. 25-10.

Sec. 11. **REPEALER.**

(a) Minnesota Statutes 2024, section 256B.051, subdivisions 1, 4, and 7, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 256B.051, subdivisions 2, 3, 5, 6, 6a, 6b, 8, 9, and 10, are repealed.

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

Delete the title and insert:

"A bill for an act relating to human services; modifying policy provisions relating to Direct Care and Treatment, the Department of Health, health care, medical assistance provider enrollment, aging and disability services, behavioral health, homelessness, housing, and maltreatment of vulnerable adults; removing housing stabilization supports provisions; requiring rulemaking; requiring release of initial Optum reports; prohibiting Optum from disseminating private data; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 3.7381; 13.04, subdivision 4a; 13.384, subdivision 1; 13.43, subdivision 5a; 13.46, subdivision 1; 62Q.75, subdivision 4; 142B.01, subdivision 8; 144.56, subdivision 2b; 144.586, subdivision 2; 144.6502, subdivision 1; 144A.161, subdivision 1a; 144A.472, subdivision 5; 144A.72, subdivision 2; 144G.08, by adding subdivisions; 144G.19, by adding a subdivision; 144G.31, subdivision 6; 157.17, subdivisions 2, 5; 182.6545; 245.095, by adding a subdivision; 245.991, subdivision 3; 245.992, subdivision 2; 245A.02, subdivision 5a; 245A.03, subdivision 7; 245D.081, subdivision 3; 245F.02, subdivision 17; 245F.15, subdivision 7; 245G.04, by adding a subdivision; 245G.06, subdivision 4; 245G.11, subdivision 8; 245I.04, by adding a subdivision; 245I.08, subdivision 4; 245I.10, subdivision 6; 253B.03, subdivision 6; 253B.18, subdivision 14; 254B.052, subdivision 1, by adding a subdivision; 256.9752, as amended; 256B.04, subdivision 5; 256B.0624, subdivisions 6b, 7; 256B.0625, subdivision 47, by adding a subdivision; 256B.064, subdivisions 1b, 1c, 1d, 2, 3, 4, 5, by adding subdivisions; 256B.0658; 256B.0759, subdivision 3; 256B.0911, subdivision 32; 256B.0924, subdivisions 3, 5, 7, by adding a subdivision; 256B.0943,

subdivision 6; 256B.0946, subdivision 4; 256B.0947, subdivision 5; 256B.0949, subdivision 17, by adding a subdivision; 256B.4905, subdivision 2a; 256B.851, subdivision 8; 256L.03, subdivision 1; 256S.21, subdivision 3; 295.50, subdivision 4; 626.557, subdivisions 9, 9a, 12b, by adding subdivisions; 626.5572, subdivisions 2, 9, 17, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 13.46, subdivision 2; 15.013, by adding a subdivision; 144A.474, subdivision 11; 144A.4799, subdivision 1; 245.469, subdivision 1; 245C.03, subdivision 6; 245C.10, subdivision 6; 245D.091, subdivisions 2, 3; 245F.08, subdivision 3; 245G.09, subdivision 3; 245G.11, subdivision 7; 245I.04, subdivision 17; 245I.23, subdivision 7; 253B.18, subdivision 6; 254A.03, subdivision 3; 254B.04, subdivision 1a; 254B.0501, subdivision 6; 254B.0505, subdivision 8, by adding subdivisions; 256B.04, subdivision 21; 256B.0701, subdivision 9; 256B.0759, subdivision 4; 256B.0911, subdivision 13; 256B.0924, subdivision 6; 256B.0943, subdivision 1; 256B.0947, subdivision 3a; 256B.0949, subdivisions 2, 16, 18; 256B.4914, subdivisions 8, 10a; 256L.03, subdivision 5; 295.50, subdivision 9b; 626.5572, subdivision 13; Laws 2024, chapter 125, article 1, section 47; proposing coding for new law in Minnesota Statutes, chapters 144G; 246C; 256B; repealing Minnesota Statutes 2024, sections 256B.051, subdivisions 1, 4, 7; 256B.0759, subdivisions 2, 5; 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16; 626.557, subdivision 10; Minnesota Statutes 2025 Supplement, sections 254B.052, subdivision 6; 256B.051, subdivisions 2, 3, 5, 6, 6a, 6b, 8, 9, 10."

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 1234, A bill for an act relating to state government; requiring payment transparency in public contracts; amending Minnesota Statutes 2024, sections 15.72, subdivision 2, by adding a subdivision; 337.10, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 9, after "tier" insert "that can provide documentation of"

Page 1, delete lines 20 and 21

Page 2, line 1, delete everything before "If" and insert "(d) The public contracting agency must make available to subcontractors the contact information for the public contracting agency for payment information under this section. If the public contracting agency has a website, the agency must post the contact information on the agency's public website for solicitations or bids or on another apparent location on the agency's website."

Page 2, delete section 2

Page 3, delete section 3

Correct the title numbers accordingly

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 1597, A bill for an act relating to public safety; establishing the Task Force on Establishing a Yellow Alert System; requiring a report.

Reported the same back with the following amendments:

Page 2, line 4, delete "statewide Toward Zero Deaths coordinator" and insert "Office of Traffic Safety MNCrash system administrator"

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 1606, A bill for an act relating to commerce; prohibiting access to nudification technology; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"(b) "Identifiable individual" means a person that is identifiable:

(1) from the image itself, by the person depicted in the image, or by another person; or

(2) from personal information displayed in connection with the image."

Reletter the paragraphs in sequence

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

The report was adopted.

Backer and Bierman from the Committee on Health Finance and Policy to which was referred:

H. F. No. 1724, A bill for an act relating to health care; establishing direct primary care service agreements; amending Minnesota Statutes 2024, sections 62A.01, by adding a subdivision; 62A.011, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 1900, A bill for an act relating to public assistance; changing which offenses affect eligibility for benefits; amending Minnesota Statutes 2024, sections 142G.18, subdivision 1; 256D.024, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 142G.18, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense during the previous ten years from the date of application or recertification ~~is subject to the following:~~ may, if otherwise eligible, receive MFIP benefits.

~~(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.~~

~~(2) The convicted applicant or participant may be subject to random drug testing. Following any positive test for an illegal controlled substance, the county must provide information about substance use disorder treatment programs to the applicant or participant.~~

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a felony-level drug offense during the previous ten years from the date of application or recertification may, if otherwise eligible, receive SNAP benefits. ~~The convicted applicant or participant may be subject to random drug testing. Following a positive test for an illegal controlled substance, the county must provide information about substance use disorder treatment programs to the applicant or participant.~~

(c) For the purposes of this subdivision, "drug offense" means a conviction that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the conviction occurred during the previous ten years from the date of application or recertification and the conviction is for a crime that would be a felony if committed in Minnesota.

(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 2. **REPEALER.**

Minnesota Statutes 2024, section 256D.024, subdivision 1, is repealed."

Delete the title and insert:

"A bill for an act relating to public benefits; removing restrictions on Minnesota Family Investment Program and Supplemental Nutrition Assistance Program benefits for individuals convicted of certain drug crimes; amending Minnesota Statutes 2024, section 142G.18, subdivision 1; repealing Minnesota Statutes 2024, section 256D.024, subdivision 1."

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 2136, A bill for an act relating to children, youth, and families; appropriating money for grants for forensic interview training scholarships.

Reported the same back with the following amendments:

Page 1, line 7, delete "$250,000 in fiscal year 2026 and" and delete "are" and insert "is"

Page 1, line 8, after the second "to" insert "provide training scholarships for recipients to attend"

Page 1, line 9, delete "organizations to" and insert "training. Eligible grantees must" and after "for" insert "recipients to attend"

Page 1, line 10, delete "training on"

Page 1, line 11, before the period, insert "training"

Page 1, line 13, after the semicolon, insert "advocates working with a multidisciplinary team; "

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

The report was adopted.

Backer and Bierman from the Committee on Health Finance and Policy to which was referred:

H. F. No. 2291, A bill for an act relating to health; appropriating money for the Palliative Care Advisory Council.

Reported the same back with the following amendments:

Page 1, line 5, delete "$44,000 in fiscal year 2026 and" and delete "are" and insert "is"

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 2354, A bill for an act relating to consumer protection; adding and modifying provisions governing medical assistance fraud; providing the attorney general certain subpoena and enforcement authority; providing criminal penalties; making conforming changes; appropriating money; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 609.52, subdivision 2; Minnesota Statutes 2025 Supplement, sections 256B.12; 609.902, subdivision 4; 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2024, section 609.466.

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 2400, A bill for an act relating to real estate appraisers; establishing a disciplinary sanction matrix; proposing coding for new law in Minnesota Statutes, chapter 82B.

Reported the same back with the following amendments:

Page 1, delete lines 6 to 10 and insert:

"When establishing a sanction for an appraiser, the commissioner may consider the current version of the Voluntary Disciplinary Action Matrix published by the Appraisal Foundation as nonbinding guidance. The commissioner retains discretion to determine the appropriate sanction based on the specific facts of each case, regardless of the suggestions contained within the matrix."

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

The report was adopted.

Franson and Lee, F., from the Committee on Capital Investment to which was referred:

H. F. No. 2418, A bill for an act relating to capital investment; requiring local governments to establish capital project plans; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 16A.86, subdivision 3a, is amended to read:

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests;

(7) whether the political subdivision has a plan for maintenance and preservation of the project, including safety and security, maintenance and utility costs, availability of repair parts and materials, sustainability, and any other criteria the political subdivision deems relevant;

~~(7)~~ (8) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval; and

~~(8)~~ (9) if applicable, the information required under section 473.4485, subdivision 1a.

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

Delete the title and insert:

"A bill for an act relating to capital investment; modifying information to be provided for capital project grants to political subdivisions; amending Minnesota Statutes 2024, section 16A.86, subdivision 3a."

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

The report was adopted.

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

H. F. No. 2614, A bill for an act relating to local government; prohibiting certain governing bodies from requiring or incentivizing creation of homeowners associations; prohibiting certain governing bodies from requiring terms not required under state law in homeowners association documents; proposing coding for new law in Minnesota Statutes, chapter 515B.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2627, A bill for an act relating to commerce; prohibiting pet shops from selling cats and dogs; amending Minnesota Statutes 2024, sections 325F.79; 325F.791, subdivisions 1, 5; 325F.792, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 5, delete section 6

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2700, A bill for an act relating to consumer protection; modifying the Minnesota Consumer Data Privacy Act to make consumer health data a form of sensitive data; adding additional protections for sensitive data; amending Minnesota Statutes 2024, sections 325M.11; 325M.12; 325M.16, subdivision 2; 325M.18; 325M.20; proposing coding for new law in Minnesota Statutes, chapter 325M.

Reported the same back with the following amendments:

Page 3, line 13, delete ", with an accuracy of more than"

Page 3, delete line 14

Page 3, line 15, delete "coordinate system,"

Page 3, line 20, delete "identifies" and insert "a controller uses to identify"

Page 3, line 31, after the semicolon, insert "and"

Page 4, line 1, delete "could reasonably" and insert "a controller uses to"

Page 4, line 2, delete the semicolon and insert a period

Page 4, delete lines 3 to 10

Page 5, line 26, delete "or"

Page 5, line 27, strike the period and insert "; or"

Page 5, after line 27, insert:

"(6) inferences made by a controller based on personal data, alone or in combination with other data, which are used to indicate any of the sensitive data categories identified in clauses (1) to (5)."

Page 5, line 30, after "data" insert "to a third party"

Page 6, line 2, delete "health"

Page 6, line 10, delete "or"

Page 6, after line 14, insert:

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

(5) 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; 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."

Page 11, line 18, delete "(g)" and insert "(h)"

Page 11, line 32, reinstate the stricken language

Page 12, line 3, delete "sensitive" and insert "health"

Page 12, delete lines 5 to 15 and insert:

"(f) A controller may not sell a consumer's sensitive data with any party other than the consumer except with the consumer's consent to the specified sale.

(g) A consumer's consent to share health data under paragraph (e), or to sell sensitive data under paragraph (f), must be separate and distinct from a consumer's consent to process the consumer's sensitive data under paragraph (d). A consent under this subdivision must be obtained prior to the processing, sharing, or sale, as applicable, of any sensitive data. Any request for consent to the processing, sharing, or sale, as applicable, of any sensitive data under this subdivision must clearly and conspicuously disclose:

(1) the categories of sensitive data processed, shared, or sold, as applicable;

(2) the purpose of the processing, sharing, or sale, as applicable, of the sensitive data, including the specific ways in which it will be used;

(3) the categories of entities with which the sensitive data is shared or sold; and

(4) how the consumer can withdraw consent from future processing, sharing, or sale of the consumer's sensitive data."

Page 12, line 16, delete "(g)" and insert "(h)"

Page 12, line 20, delete "(h)" and insert "(i)"

Page 12, line 26, delete "(i)" and insert "(j)"

Page 12, line 30, delete "(j)" and insert "(k)"

Page 12, after line 32, insert:

"Sec. 4. Minnesota Statutes 2024, section 325M.17, is amended to read:

325M.17 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 or share a consumer's health data without the consumer's prior consent.

(b) Penalties and attorney general enforcement procedures under section 325M.20 apply to a small business that violates this section."

Page 14, line 6, delete the new language

Page 14, after line 6, insert:

"(4) the sharing of health data;"

Page 14, line 7, strike "(4)" and insert "(5)"

Page 14, line 9, strike "(5)" and insert "(6)"

Page 16, line 5, delete "July 31, 2026" and insert "January 1, 2027"

Page 16, line 6, delete "2030" and insert "2029"

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 2740, A bill for an act relating to housing; requiring a report on the affordable housing industry; setting a maximum compliance period for certain low-income tax credit commitment requirements; requiring the commissioner of the Minnesota Housing Finance Agency to identify avenues for potential regulatory relief to affordable housing providers; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 462A.07, subdivision 19, by adding a subdivision; 462A.222, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 462A.07, subdivision 19, is amended 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.

(c) By January 5 each year, the commissioner must report on the financial stability of the affordable housing industry. The report must include:

(1) the ratio of operating expenses to revenue in affordable rental housing projects; and

(2) the percent of rents collected on time, divided into four regions of the state:

(i) the cities of St. Paul and Minneapolis;

(ii) the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, except for the cities of St. Paul and Minneapolis;

(iii) urban greater Minnesota, including the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; and

(iv) rural greater Minnesota, which includes all of Minnesota, except for the places listed in items (i), (ii), and (iii).

Sec. 2. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to read:

Subd. 22. **Local affordable housing aid annual meeting.** At least once each year, the commissioner must convene a meeting with the Interagency Council to End Homelessness and the cities and counties receiving local affordable housing aid under section 477A.35. The purpose of the meeting is to discuss: (1) the impacts of local affordable housing aid; (2) regional needs for affordable housing; and (3) recommendations for the collaborative use of funds to effectively address homelessness, housing insecurity, security of affordable housing, and the lack of housing supply.

Sec. 3. Minnesota Statutes 2024, section 462A.222, is amended by adding a subdivision to read:

Subd. 5. **Commitment restriction.** The commissioner may not require commitment terms longer than the compliance period required under section 42 of the Internal Revenue Code of 1986, as amended.

Sec. 4. **POLICY FRAMEWORK FOR TARGETED STABILIZATION OF REGULATED AFFORDABLE HOUSING.**

(a) The commissioner of the Minnesota Housing Finance Agency must develop a policy framework for targeted stabilization of affordable rental housing. In developing this framework, the commissioner must identify strategies, tools, and funding mechanisms for targeted stabilization of affordable rental housing and recapitalization of distressed properties. The commissioner must identify potential improvements for regulatory relief for affordable rental housing providers and implement these improvements where feasible.

(b) By January 5, 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy on the policy framework, improvements implemented, and propose legislation that may be needed to support targeted stabilization of regulated affordable housing and recapitalization of distressed properties.

Sec. 5. **INTERAGENCY STABILIZATION GROUP.**

The commissioner of the Minnesota Housing Finance Agency may convene regular meetings of public funders and affordable housing stakeholders to seek funding solutions that support preservation and stabilization of affordable properties."

Amend the title as follows:

Page 1, line 6, delete "transferring money; appropriating money;"

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 3024, A bill for an act relating to children; establishing a foster youth bill of rights; proposing coding for new law in Minnesota Statutes, chapter 260C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[260C.009] FOSTER YOUTH BILL OF RIGHTS.**

Subdivision 1. **Legislative intent.** (a) It is the intent of the legislature and the purpose of this section to ensure the right of foster youth to receive a level of care (1) comparable to nonfoster youth, and (2) higher than the care foster youth would have received if not placed in foster care, due to the state of Minnesota choosing to intervene in a foster youth's life.

(b) The rights under this section are established for the benefit of children and youth in foster care and the extended foster care program. The rights granted in this section do not replace or diminish other rights, liberties, or responsibilities relating to children and youth in foster care or the extended foster care program, including any rights under this chapter; chapters 144, 241, 245, 253, and 260; section 363A.02; Minnesota Rules; the Indian Child Welfare Act; the Minnesota Indian Family Preservation Act; and the African American Family Preservation and Child Welfare Disproportionality Act.

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

(b) "Age appropriate" means the activities, rights, and responsibilities that align with a foster youth's chronological age and are common to the foster youth's peers.

(c) "Appropriate" means in alignment with age and developmental ability of a foster youth based on the reasonable treatment a foster youth would receive if not placed in the foster care system.

(d) "Belongings" means personal effects or possessions as defined reasonably by the foster youth.

(e) "Chemical restraint" means any psychopharmacologic drug used for discipline or convenience and that is not required to treat medical symptoms.

(f) "Culturally appropriate" means in alignment with practices, resources, or services that reflect, honor, and celebrate a foster youth's cultural background, including foods, clothing, personal care products, traditions, values, and social norms.

(g) "Developmentally appropriate" means activities, resources, education, or information suitable for the foster youth's age, cognitive level, and emotional maturity.

(h) "Disability" has the meaning given in section 363A.03, subdivision 12.

(i) "Discipline" means actions used to correct or deter negative or harmful behaviors.

(j) "Discrimination" means the unfair treatment of a person or group of people because of an actual or perceived difference, including age, race, sex, nationality, sexual orientation, gender identity, gender expression, religion, or disability.

(k) "Excessive medication" means medication administered as a substitute for a behavioral or therapeutic program, for punishment, for the convenience of any foster parents or care providers, in quantities that interfere with learning or other social-emotional goals, or beyond prescribed limits, as determined by a licensed health care professional.

(l) "Foster youth" means: (1) a child under 18 years of age who is under the placement and care responsibility of a responsible social services agency and is placed away from the child's parents or guardians; or (2) an individual under 21 years of age who is in foster care pursuant to section 260C.451. Foster youth includes but is not limited to youth in out-of-home placements pursuant to this chapter or chapter 260B or 260D.

(m) "Health care" or "health care services" means medical, dental, vision, and mental health services, treatments, and procedures.

(n) "Maltreatment" has the meaning given in section 260E.03, subdivision 12.

(o) "Physical restraint" means any manual method or physical or mechanical device, material, or equipment attached or adjacent to an individual's body that the individual cannot remove easily that restricts freedom of movement or normal access to one's body.

(p) "Privacy" means freedom from the attention of others, including physical privacy or verbal confidentiality.

(q) "Relative" has the meaning given in section 260C.007, subdivision 27.

Subd. 3. **Rights.** While in foster care, foster youth have a right to:

(1) be free from physical or chemical restraint used for the purposes of discipline or convenience. Physical or chemical restraints must only be used in the case of immediate threat to life or bodily harm to the foster youth or others and in accordance with applicable laws. Any use of physical or chemical restraints must be documented. De-escalation tactics should be exhausted before the use of physical or chemical restraints is considered and the least restrictive interventions should be prioritized;

(2) be free from law enforcement intervention requested by adult caregivers, unless requested as a last resort after other diversion and de-escalation tactics have been used, and when there is an imminent threat to the health or safety of a person or when a crime may have been committed. Law enforcement intervention or placement disruption must not be used to threaten, discipline, or retaliate against a foster youth;

(3) have appropriate actions taken to keep the foster youth safe and comfortable, if the foster youth shares any information regarding previous or ongoing maltreatment to the foster youth's family and permanency team. Appropriate actions include but are not limited to:

(i) consideration of accommodations so that the foster youth, while exercising their rights, does not need to encounter, address, or interact with a person who harmed the foster youth; and

(ii) allowing the foster youth to refuse physical touch or emotional affection, including, but not limited to, hugs and kisses;

(4) age and developmentally appropriate house rules, which may include a curfew, that are clear, consistent, and explained to the foster youth in a way the foster youth can understand. If a foster youth is living in a residential treatment facility, licensed residential family-based substance use disorder treatment program, qualified residential treatment program, secure detention facility, or shelter care facility as those terms are defined in section 260C.007, the foster youth must have access to written rules or policies upon entering the facility or setting and at the foster youth's request;

(5) have care for the foster youth's basic needs be of the same or similar quality of others in the household, with consideration of the foster youth's preferences, and for care for those basic needs not to be withheld as a form of discipline. In addition to the requirements under Minnesota Rules, part 2960.3080, basic needs may include the provision of or access to:

(i) hygiene and hair care products;

(ii) ethnically and culturally appropriate hygiene and hair care that may include tools and services, oils, bonnets, du rags, lotions, shampoo, conditioner, and body wash;

(iii) medications;

(iv) menstrual products;

(v) privacy;

(vi) self-regulation tools;

(vii) sentimental belongings; and

(viii) religious or spiritual altars, artifacts, books, pieces, or visitations;

(6) sufficient food and beverages that promote the foster youth's health and nutrition and that:

(i) are in accordance with the foster youth's religious, spiritual, and cultural observances;

(ii) account for the foster youth's allergies and sensitivities, if applicable;

(iii) reasonably align with the foster youth's food aversions; and

(iv) do not impose a diet or food restrictions to lose or gain weight, unless under the direction of a health care professional;

(7) dress themselves and choose their own clothing;

(8) have access to a bedroom where the foster youth is living, whenever it is safe and appropriate;

(9) be provided with appropriate travel bags, not including trash bags or grocery bags, to pack the foster youth's belongings if the foster youth moves;

(10) engage in communication without monitoring, except if a safety concern is determined. If a safety concern is determined and the foster youth's communication will be monitored, the monitoring must be documented in the foster youth's out-of-home placement plan and disclosed to the foster youth. For purposes of this clause, communication may include, but not be limited to, the use of technology or other personal belongings, such as writings and artwork;

(11) have access to a method of communication that is appropriate for the foster youth's age and developmental level, which may include a mobile phone;

(12) financial services support, which includes but is not limited to:

(i) support to open and access the foster youth's own bank account;

(ii) assistance with having the foster youth's credit frozen upon entry into foster care at any age and support in unfreezing and refreezing the foster youth's credit upon the foster youth's request if the foster youth is 15 years of age or older;

(iii) assistance with receiving and understanding the foster youth's yearly credit report, if applicable; and

(iv) if the foster youth's credit is being used fraudulently, the responsible social services agency taking steps to amend any discrepancies in the foster youth's credit report;

(13) be assigned chores or household tasks that are typical for the foster youth's age and development and that are comparable to those of other children in the home, if applicable;

(14) have privacy when changing clothes, bathing, and using the bathroom, if safe and age and developmentally appropriate;

(15) be free from cameras in bedrooms, bathrooms, or any other room or area of the residence in which the foster youth is expected to bathe or change clothing;

(16) be informed that the foster youth may be recorded on camera, if cameras are in use at the foster youth's residence, and to have their concerns about recording addressed by the family and permanency team;

(17) not be subjected to unreasonable searches of the foster youth's personal belongings, space, or body. Any search of the foster youth's personal belongings, space, or body must be based on an articulated and individualized need and must be as minimally invasive as possible in relation to the need;

(18) access health care in a timely manner, that the provider, caseworker, or other qualified professional explains to the foster youth in a manner that is understandable to the foster youth;

(19) meet with the foster youth's health care providers in private, if age and developmentally appropriate, or with a trusted adult present if requested by the foster youth and have the foster youth's concerns addressed;

(20) give input into the foster youth's health care, including but not limited to:

(i) selecting or changing providers for any reason, as available; and

(ii) receiving support in accessing family therapy or refusing family therapy, unless required by the foster youth's out-of-home placement plan;

(21) be free from excessive or unnecessary medication, procedures, or treatments, as determined by a licensed health care professional;

(22) receive support in accessing education and services, as age and developmentally appropriate, related to consent, healthy relationships, sexual and reproductive health and safety and personal care, hygiene, and grooming that reflects the foster youth's race, ethnicity, culture, gender identity, and gender expression;

(23) receive support to have consistent and quality contact with relatives, including both in-person or virtual opportunities, with a preference for in-person visits. A foster youth should be supported in conducting other communications with relatives, such as letters, emails, texts, or telephone calls and have contact or visits with relatives only be restricted in circumstances when the foster youth's family and permanency team has collaborated to weigh relevant factors including, but not limited to:

(i) the foster youth's physical and emotional safety;

(ii) input from the foster youth's health care team, if applicable;

(iii) input from the foster youth; and

(iv) the appropriateness of alternative forms of visits or contact;

(24) be told in a personal and confidential manner if the responsible agency is aware that a foster youth's relative has died or is experiencing life-threatening health issues and, when practicable, be supported in visiting a person who is experiencing life-threatening health issues or attending death-related services if someone the foster youth knows has died;

(25) have the foster youth's family and permanency team make every effort to support the foster youth's relationships with all of the foster youth's siblings and relatives, including adult siblings, whether the siblings are in foster care or not. If the responsible agency has documented a verifiable safety concern in the foster youth's out-of-home placement plan, the family and permanency team is not required to comply with this clause. Supportive efforts include but are not limited to:

(i) prioritizing the foster youth's input regarding any sibling and relative relationships. This may include the frequency and methods of communication, including telephone calls, letters, or in-person or virtual visits;

(ii) supporting frequent contact with the foster youth's siblings, including weekly or regular face-to-face visits, whenever possible, and weekly virtual contact; and

(iii) alternative ways to preserve sibling and relative relationships, if there is a documented, verifiable safety concern that prevents contact with a sibling or relative;

(26) have the foster youth's siblings, if known, including adult siblings and siblings not in foster care, be notified of their rights as a sibling through materials in a format specified by the Office of the Foster Youth Ombudsperson;

(27) receive support to plan to maintain sibling and relative relationships after the foster youth exits foster care. Support may include the development of communication and contact agreements;

(28) receive support in seeking and maintaining regular contact with communities that reflect the foster youth's culture, ethnicity, religion, sexual orientation, gender identity, and gender expression, with specific attention paid to maintaining the community connections the foster youth had prior to entering foster care. The foster youth's cultural and community needs must be documented in the foster youth's out-of-home placement plan;

(29) be cared for by people who are trained on understanding and validating the foster youth's cultural, racial, and ethnic heritage in a trauma-informed manner;

(30) receive support to make and cultivate friendships, including with friends made before the foster youth's time in foster care or while in a previous placement. Support includes but is not limited to:

(i) in-person or virtual opportunities to communicate or visit, with a preference for in-person visits;

(ii) facilitating letters, emails, text messages, or telephone calls; and

(iii) not restricting communication with friends, unless due to concerns for the foster youth's safety or well-being;

(31) mutual communication in the foster youth's preferred languages, which may include Braille or sign language, and receive all necessary and requested translation services and support for all foster-care-related meetings or materials. If the foster youth's foster parent or caregiver is unable to communicate in the foster youth's language, the foster youth's caseworker must provide a plan to meet the foster youth's communication needs;

(32) participate or choose not to participate in cultural, religious, and spiritual events and practices. Participation in cultural, religious, and spiritual events and practices may include access to spaces and materials to practice the foster youth's religion or spirituality such as the ability to smudge, light incense, or light candles safely or under appropriate supervision;

(33) privacy regarding the foster youth's sexual orientation and gender identity, and whenever possible, to protect the foster youth's gender identity or sexual orientation from disclosure without the foster youth's consent;

(34) have support to ensure that the foster youth does not receive a reduction of a grade or disciplinary action solely due to foster-care-related absences or lateness and be supported in accessing and identifying recovery options in the foster youth's classes during school hours, if possible, when these circumstances occur;

(35) when possible, not have the foster youth's scheduled activities, including school, disrupted by foster-care-related meetings and events in accordance with the foster youth's preferences or if there is a safety need or necessity;

(36) have meaningful efforts made by the responsible social services agency to ensure the oversight and continuity of educational services for the foster youth, including support to:

(i) transfer credits, including partial credits;

(ii) maximize credits obtained if the foster youth changes schools; and

(iii) enroll in any accelerated and college-level courses and programs the foster youth is qualified to enroll in, including timely support to prepare for postsecondary education;

(37) participate in age and developmentally appropriate activities that align with the foster youth's preferences and not be excluded from participation in or be denied benefits of services, programs, or activities due to the foster youth's disability status. Activities under this clause include but are not limited to social activities, school events, sports, arts programming, clubs, community activities, cultural customs, other extracurricular activities, and activities with the foster youth's placement, relatives, and friends;

(38) have support in ensuring continuation of activities if the foster youth's foster care status or related circumstances affect the foster youth's participation or attendance, including timely transportation that is free of cost to the foster youth;

(39) receive contact information for the professionals on the foster youth's family and permanency team and:

(i) be able to privately contact the team when desired;

(ii) receive a response that is reasonably prompt; and

(iii) have timely, quality, and private visits, including if the foster youth is out of state;

(40) have the foster youth's input prioritized in decision making by the foster youth's family and permanency team, which may include requesting a placement change;

(41) receive as much advance notice as possible before a transition to a new placement and be informed about what the foster youth can expect, including but not limited to placement location and type, where the foster youth will sleep, if the foster youth will have roommates, and any changes in the foster youth's life that will result in this placement change. Foster youth must not be subject to avoidable denial or delay of placement or services;

(42) receive appropriate resources to meet the objectives of the foster youth's independent living plan, including but not limited to educational and vocational resources and resources on mental and physical health management, life skills, financial literacy, insurance, and social and recreational skills;

(43) if the foster youth meets eligibility requirements, automatically remain or enroll in extended foster care unless the foster youth notifies the foster youth's caseworker that the foster youth does not want extended foster care with a signed form created by the commissioner of children, youth, and families;

(44) as reasonably known by the foster youth's caseworker, be notified by the agency of all benefits that the foster youth is eligible to receive during the foster youth's time in foster care at the point when the foster youth is eligible and every six months after and be supported in accessing the benefits. This includes but is not limited to fostering independence grants, education training vouchers, Free Application for Federal Student Aid (FAFSA), fostering youth independence vouchers, medical assistance, and extended foster care;

(45) as age appropriate, timely support from the foster youth's caseworker in obtaining and providing the foster youth's vital records at no cost to the foster youth;

(46) maintain employment or professional development opportunities in accordance with the law and receive support in accessing transportation to and from these opportunities that is free or low cost to the foster youth;

(47) if the foster youth owns a motor vehicle, access the foster youth's motor vehicle in accordance with the law and for access to only be restricted due to safety or well-being concerns;

(48) support from the agency to enroll in and attend a driver's education class, take a permit and driver's license test, and obtain car insurance, which may include assistance in gathering documents, enrolling in, and obtaining support from the agency to access available financial supports;

(49) in accordance with the law, request and receive the foster youth's foster care records upon discharge from foster care or transition to extended foster care and, if the foster youth is 13 years of age or older, receive official documentation that shows the foster youth was in foster care and to request and be notified if the foster youth has any personal effects that are in the foster youth's file, including pictures, letters, or notes;

(50) receive clear and accurate information regarding the foster youth's parental rights from the foster youth's caseworker and receive support from the foster youth's family and permanency team in maintaining the foster youth's parental rights;

(51) access any resources needed to adequately and safely care for the foster youth's children, including:

(i) affordable child care;

(ii) health care appointments and services for the foster youth and the foster youth's children, including transportation at no cost to the foster youth;

(iii) services to support the foster youth's birth plan and postpartum needs, including resources to ensure these services are free or low cost; and

(iv) resources to establish end-of-life planning for the foster youth and the foster youth's children;

(52) determine the foster youth's own birth and parenting plans in collaboration with the foster youth's birth services provider that are aligned with the foster youth's religious, spiritual, cultural, racial, and ethnic identities;

(53) if possible and safe, support to coparent the foster youth's child, including support in attending regular visitations and overnights with the foster youth's children in the foster youth's choice of location in accordance with custody orders and regular contact with the foster youth's child, including in-person and virtual visits, telephone calls, and letters;

(54) not be coerced into terminating the foster youth's parental rights. The foster youth must not have to choose between staying in the foster youth's placement, receiving services, or accessing basic needs and maintaining the foster youth's parental rights;

(55) be placed with the foster youth's children in a setting that is as family-like as possible;

(56) not have the foster youth or the foster youth's children drug tested solely due to the foster youth's foster care status;

(57) receive accessible materials, whether printed or digital, related to the foster youth's rights from their caseworker upon entering or reentering foster care and at least every six months thereafter or upon the foster youth's request. Materials under this clause must include:

(i) a copy of the bill of rights under this section; and

(ii) materials relating to the rights under this section and the Office of the Foster Youth Ombudsperson in a format specified by the Office of the Foster Youth Ombudsperson;

(58) ask for anything the foster youth needs, including things guaranteed by the rights under this section or under any other law. The foster youth must not be retaliated against or disciplined for asking for, accessing, reporting, or raising concern about accessing the rights under this section or any other law. The rights under this section or any other law must not be violated as discipline or retaliation; and

(59) receive intervention and remedy if the foster youth's rights are violated, including support from the foster youth's family and permanency team to advocate for the foster youth's rights. If a person violates the foster youth's rights under this section or any other law, and the caseworker is aware, the caseworker must intervene and remedy the violation of rights to the extent possible. If the foster youth's caseworker violates the foster youth's rights, the agency must intervene and remedy the violation of rights to the extent possible. If the foster youth reports a violation of rights to any member of the foster youth's family or permanency team, the team member must notify the remaining professional members of the family and permanency team of the violation.

EFFECTIVE DATE. This section is effective November 1, 2026."

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

The report was adopted.

Bennett and Jordan from the Committee on Education Policy to which was referred:

H. F. No. 3067, A bill for an act relating to education; defining paraprofessional qualifications; amending Minnesota Statutes 2024, section 121A.642, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4, is amended to read:

Subd. 4. **Qualifications.** (a) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 300.156, if the paraprofessional:

(1) has at least two years of college credits through an accredited institution of higher education, or an associate's degree or higher;

(2) has received a passing score on an assessment approved by the Department of Education; or

(3) demonstrates the following competencies, regardless of the number of hours of training the paraprofessional has received:

(i) understanding the distinctions between roles and responsibilities of professionals, paraprofessionals, and support personnel;

(ii) understanding the purposes and goals of education and instruction for all students;

(iii) knowledge of relevant laws, rules, regulations, and local district policies and procedures to ensure paraprofessionals work within these parameters;

(iv) awareness of the challenges and expectations of various learning environments;

(v) the ability to establish and maintain rapport with students;

(vi) the ability to follow oral and written direction of licensed teachers, seeking clarification as needed;

(vii) the ability to assist and reinforce elements that support a safe, healthy, and effective teaching and learning environment;

(viii) understanding strategies for assisting with the inclusion of students in various settings;

(ix) the ability to use strategies that promote the student's independence;

(x) understanding applicable laws, rules, and regulations, and procedural safeguards regarding the management of student behaviors;

(xi) awareness of the primary factors that influence student behavior;

(xii) the ability to effectively employ a variety of strategies that reinforce positive behavior;

(xiii) the ability to use ethical practices for confidential communication about students;

(xiv) the ability to follow teacher instructions while conferring and collaborating with teachers about student schedules, instructional goals, and performance;

(xv) demonstrating a commitment to assisting students in reaching the students' highest potential, including the modeling of positive behavior;

(xvi) showing respect for the diversity of students;

(xvii) showing a willingness to participate in ongoing staff development and self-evaluation and to apply constructive feedback;

(xviii) supporting and reinforcing the instruction of students in mathematics following written and oral lesson plans developed by licensed teachers;

(xix) supporting and reinforcing the instruction of students in reading following written and oral lesson plans developed by licensed teachers. Professional development required under the Read Act in section 120B.123 exceeds this requirement; and

(xx) supporting and reinforcing the instruction of students in writing following written and oral lesson plans developed by licensed teachers.

(b) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 200.58, if the paraprofessional:

(1) has at least two years of college credits from an accredited institution of higher education, or an associate's degree or higher; or

(2) met a rigorous standard of quality and can demonstrate, through a formal state or local academic assessment, knowledge of and the ability to assist in instructing, as appropriate:

(i) reading or language arts, writing, and mathematics; or

(ii) reading readiness, writing readiness, and mathematics readiness.

(c) Upon request from a paraprofessional employed by a school district, charter school, or cooperative unit providing direct instructional services, the school district, charter school, or cooperative unit may provide administrative assistance to the paraprofessional when completing requirements related to the competencies required under this subdivision.

(d) A paraprofessional who demonstrates the competencies listed in paragraph (a), clause (3), must be deemed to have obtained a passing score on a formal state or local academic assessment in accordance with paragraph (a), clause (2). The department must take any steps necessary to ensure the paraprofessional meets federal qualification requirements, including but not limited to applying for a waiver under Code of Federal Regulations, title 20, section 5891b. A district or charter school must maintain the paraprofessional's completed assessment and documentation that the paraprofessional demonstrated the required competencies in the paraprofessional's personnel file.

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

Amend the title as follows:

Page 1, line 2, delete "defining" and insert "clarifying"

Correct the title numbers accordingly

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 3093, A bill for an act relating to state government; applying responsible contractor requirements to recipients of state loans and grants over $50,000; amending Minnesota Statutes 2024, sections 16A.06, by adding a subdivision; 16B.981, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 16B.981, subdivision 1, is amended to read:

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

(b) "Grant" means a grant of $50,000 or more as defined in section 16B.97, subdivision 1, paragraph (a); or business subsidy of $50,000 or more as defined in section 116J.994, subdivision 3, paragraph (b).

(c) "Grantee" means a political subdivision, as defined in section 471.345, subdivision 1; a nonprofit, as defined in chapter 317A; or a business entity, as defined in section 5.001, subdivision 2.

(d) "Related entity" means:

(1) a firm, partnership, corporation, joint venture, or other legal entity substantially under the control of a potential grantee;

(2) a subsidiary of a potential grantee;

(3) a person, firm, partnership, corporation, joint venture, or other legal entity that substantially controls a potential grantee; or

(4) an entity that shares three or more of the following characteristics with a potential grantee:

(i) has one or more of the same owners, principals, officers, or managers;

(ii) has one or more of the same telephone or fax numbers;

(iii) has one or more of the same email addresses, business addresses, or websites;

(iv) employs or engages substantially the same individuals;

(v) utilizes substantially the same vehicles, facilities, or equipment; or

(vi) lists or advertises substantially the same project experience and portfolio of work.

Sec. 2. Minnesota Statutes 2024, section 16B.981, subdivision 2, is amended to read:

Subd. 2. **Financial information required; determination of ability to perform.** For grants of $50,000 or more and subject to sections 16B.97 and 16B.98, before an agency awards a competitive, legislatively named, single-source, or sole-source grant, the agency must receive the certification required under subdivision 2b and complete a preaward risk assessment to assess the risk that a potential grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information as applicable:

(1) the potential grantee's history of performing duties similar to those required by the grant, whether the grant requires the potential grantee to perform services at a significantly increased scale, and whether the grant will require significant changes to the operation of the potential grantee's organization;

(2) for a potential grantee that is a nonprofit organization, the potential grantee's most recent Form 990 or Form 990-EZ filed with the Internal Revenue Service. If the potential grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the potential grantee must demonstrate to the agency's satisfaction that the potential grantee is exempt and must instead submit the potential grantee's most recent board-reviewed financial statements and documentation of internal controls or, if there is no such board, by the applicant's managing group;

(3) for a potential grantee that is a for-profit business, the potential grantee's most recent federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have a tax return, the grantee must demonstrate to the agency's satisfaction that the grantee has appropriate internal financial controls;

~~(4) evidence of good standing with the secretary of state under chapter 317A, or other applicable law;~~

~~(5)~~ (4) if the potential grantee is required to complete an audit under section 309.53, subdivision 3, the potential grantee's most recent audit report performed by an independent third party in accordance with generally accepted accounting principles; and

~~(6)~~ (5) certification, provided by the potential grantee, that none of its current principals have been convicted of a felony financial crime in the last ten years. For this section, a principal is defined as a public official, a board member, or staff with the authority to access funds provided by this agency or determine how those funds are used.

Sec. 3. Minnesota Statutes 2024, section 16B.981, is amended by adding a subdivision to read:

Subd. 2a. **Minimum eligibility criteria.** (a) In addition to any eligibility criteria specific to the grant program, a potential grantee must certify compliance, as provided under subdivision 2b, with all of the following minimum criteria:

(1) be in good standing with the Office of the Secretary of State, as defined by section 5.26, if applicable;

(2) possess a valid federal tax identification number or a valid Social Security number if an individual;

(3) be in compliance with Department of Revenue registration requirements if the potential grantee has employees;

(4) be up to date with all required tax filings and payments, including estimated tax filings, with the federal Internal Revenue Service and the Department of Revenue;

(5) be in compliance with workers' compensation requirements under chapter 176, unemployment insurance requirements under chapter 268, and paid leave requirements under chapter 268B;

(6) be in compliance with, both currently and during the three-year period before submitting the certification, sections 177.24, 177.25, 177.41 to 177.44, 181.03, 181.101, and 181.722, and not have violated United States Code, title 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For the purposes of this clause, a violation occurs when a potential grantee:

(i) repeatedly fails to pay statutorily required wages or penalties on one or more separate projects for a total underpayment of $25,000 or more within the three-year period, provided that a failure to pay is "repeated" only if it involves two or more separate and distinct occurrences of underpayment during the three-year period;

(ii) has been found by the commissioner of labor and industry to have repeatedly or willfully violated any of the sections referenced in this clause pursuant to section 177.27;

(iii) has been issued a ruling or findings of underpayment by the administrator of the Wage and Hour Division of the United States Department of Labor that have become final or have been upheld by an administrative law judge or the Administrative Review Board; or

(iv) has been found liable for underpayment of wages or penalties or misrepresenting a worker as an independent contractor in an action brought in a court having jurisdiction;

(7) be in compliance with, both currently and during the three-year period before submitting the certification, section 181.723. For the purposes of this clause, a violation occurs when a potential grantee has been issued a final administrative order;

(8) none of the potential grantee's owners, officers, directors, managers, controlling parties, or related entities were convicted of violating section 609.445, 609.465, 609.466, 609.52, 609.611, 609.651, 609.7475, or 609.821, a substantially similar federal law or law of another state, or another offense indicating a lack of integrity or honesty that affects responsibility as a potential grantee; and

(9) the potential grantee or related entity is not currently suspended, debarred, or formerly debarred and not reinstated by the federal government, the state, or any department, agency, or political subdivision of the state with authority to debar a vendor or contractor.

(b) For the purposes of this subdivision, any violation, suspension, revocation, sanction, conviction, or noncompliance of a related entity must be treated as the potential grantee's violation, suspension, revocation, sanction, conviction, or noncompliance.

(c) Any violation, suspension, revocation, sanction, conviction, or noncompliance included in this subdivision and occurring at least 36 months prior to the date that the certification is submitted under subdivision 2b must not be considered in determining whether a potential grantee meets the minimum criteria.

Sec. 4. Minnesota Statutes 2024, section 16B.981, is amended by adding a subdivision to read:

Subd. 2b. **Verification of compliance.** (a) A potential grantee must submit to the head of the granting agency a statement signed under oath by an owner or officer certifying compliance with all of the minimum criteria in subdivision 2a.

(b) An agency head may accept a signed statement under oath as sufficient to demonstrate that a potential grantee is in compliance with subdivision 2a. The agency head is not liable for awarding the potential grantee a grant in reasonable reliance on such statement.

(c) A potential grantee that fails to certify compliance with any one of the required minimum criteria or makes a false statement under oath in a certification of compliance is ineligible to receive the grant.

(d) A false statement under oath certifying compliance with any of the minimum criteria may result in termination of eligibility or termination of a grant agreement that has already been entered.

(e) An agency head is not liable for declining to enter a grant agreement or terminating a grant agreement based on a reasonable determination that the potential grantee failed to certify compliance with the minimum criteria or falsely stated that the potential grantee meets the minimum criteria.

(f) A certification of compliance need not be notarized and may be provided electronically if it contains an electronic signature as defined in section 325L.02, paragraph (h).

Sec. 5. Minnesota Statutes 2025 Supplement, section 16B.981, subdivision 4, is amended to read:

Subd. 4. **Agency authority to not award grant.** (a) Except as provided in paragraph (f), if, while performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, the agency requires additional information to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant agreement, the agency must give the grantee 15 calendar days within which the grantee can respond to the agency for the purpose of satisfying the agency's concerns or work with the agency to develop a plan to satisfy the concerns.

(b) If, after performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information from the grantee, the agency still has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the agency must either create a plan to satisfy remaining concerns with the grantee or must not award the grant.

(c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive, single-source, or sole-source grant, the agency must provide notification to the grantee and the commissioner of administration of the determination. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision, and notify the applicant of the process for contesting the agency's decision under paragraph (d).

(d) The final decision by an agency under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 30 calendar days of the date of written notification of a final decision by the agency.

(e) If, pursuant to paragraphs (a) and (b) or (f), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision and notify the applicant of the process for contesting the agency's decision under paragraph (d). The notification to the commissioner of administration and legislators must identify the legislatively named potential grantee and the agency's reason for postponing or forgoing the grant. After hearing the concerns of the agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a different legislatively named grantee. Based on the action of the legislature, the agency must award the grant to the legislatively named grantee. If the legislature does not provide direction to the agency on the disposition of the grant, the funds revert to the original appropriation source.

(f) The agency must not award a grant to any potential grantee that does not submit the certification of compliance required under subdivision 2b."

Delete the title and insert:

"A bill for an act relating to state government; enhancing minimum eligibility criteria for state grants; requiring sworn certification of compliance; amending Minnesota Statutes 2024, section 16B.981, subdivisions 1, 2, by adding subdivisions; Minnesota Statutes 2025 Supplement, section 16B.981, subdivision 4."

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

The report was adopted.

Backer and Bierman from the Committee on Health Finance and Policy to which was referred:

H. F. No. 3133, A bill for an act relating to health; modifying physician and medical resident eligibility for loan forgiveness under the health professional education loan forgiveness program; amending Minnesota Statutes 2024, section 144.1501, subdivision 1.

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 3155, A bill for an act relating to public safety; including gift card fraud in organized retail theft; amending Minnesota Statutes 2024, section 609.522, subdivisions 1, 2.

Reported the same back with the following amendments:

Page 2, line 9, after "retailer" insert "and all gift cards" and delete "Tangible property includes gift cards."

Page 3, line 5, after "merchandise" insert "or its packaging"

Page 3, line 7, delete "2025" and insert "2026"

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3356, A bill for an act relating to public safety; requiring removal of identifying equipment and insignia from emergency vehicles sold to the public; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, delete line 14

Renumber the clauses in sequence

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 3437, A bill for an act relating to commerce; modifying the application of certain residential mortgage loan fees and penalties; amending Minnesota Statutes 2024, section 58.137, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 58.137, is amended by adding a subdivision to read:

Subd. 4. **Exception.** Subdivisions 1 and 2 do not apply to a residential mortgage loan that is a purchase money, first lien, or DSCR loan if:

(1) the loan is made for investment purposes only;

(2) no borrower, guarantor, or cosigner intend to or do occupy the residential real property securing the loan; and

(3) the seller does not continue to occupy the residential real property after the sale.

Sec. 2. Minnesota Statutes 2024, section 58.20, is amended by adding a subdivision to read:

Subd. 5a. **Debt service coverage ratio loan or DSCR loan.** "Debt service coverage ratio loan" or "DSCR loan" means a mortgage:

(1) that is not a qualified mortgage, as defined in United States Code, title 15, section 1639c;

(2) secured by investment property; and

(3) where the lender's decision to make the loan is based on the expected cash flow to be generated from the investment property instead of the borrower's personal income.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to residential mortgage loans executed on or after that date."

Amend the title as follows:

Page 1, line 2, delete "certain"

Page 1, line 3, before the semicolon, insert "in certain instances"

Correct the title numbers accordingly

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3459, A bill for an act relating to real property; making clarifying, technical, and conforming changes to the Minnesota Common Interest Ownership Act; providing for certain exemptions; providing for number of directors for certain associations; clarifying certain insurance policies; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-104; 515B.2-105; 515B.2-108; 515B.2-110; 515B.2-1101; 515B.2-113; 515B.2-118; 515B.2-119; 515B.2-121; 515B.2-124; 515B.2-125; 515B.3-102; 515B.3-1041; 515B.3-105; 515B.3-1051; 515B.3-106; 515B.3-107; 515B.3-112; 515B.3-113; 515B.3-1141; 515B.3-1151; 515B.3-116; 515B.4-101; 515B.4-102; 515B.4-1021; 515B.4-103; 515B.4-104; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-113; 515B.4-116; 515B.4-118; Minnesota Statutes 2025 Supplement, section 515B.3-103.

Reported the same back with the following amendments:

Page 9, after line 6, insert:

"(17a) "First mortgage" means either (i) if there is only one mortgage encumbering title to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit, the mortgage that is first in priority, whether by operation of applicable law or by a properly recorded agreement.

(17b) "First mortgagee" means the holder of a first mortgage."

Page 97, after line 8, insert:

"Sec. 40. Laws 2024, chapter 96, article 1, section 91, as amended by Laws 2025, chapter 32, article 4, section 12, is amended to read:

Sec. 91. **EFFECTIVE DATE.**

This article is effective August 1, ~~2026~~ 2027.

Sec. 41. Laws 2024, chapter 96, article 2, section 13, as amended by Laws 2025, chapter 32, article 4, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2026~~ 2027."

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Kresha and Youakim from the Committee on Education Finance to which was referred:

H. F. No. 3489, A bill for an act relating to education; establishing a field trip policy; requiring reporting to licensing boards; establishing the criminal offense of grooming; amending Minnesota Statutes 2024, sections 122A.20, subdivisions 1, 2; 260E.15; 260E.28, subdivision 1; 609.352, subdivisions 1, 4, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 260E.065, by adding a subdivision; 260E.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 3496, A bill for an act relating to corrections; requiring inmates to complete restitution payments before being placed on supervision abatement status; amending Minnesota Statutes 2025 Supplement, section 244.46, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2025 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 and supervision abatement status, including the circumstances under which an individual may receive earned compliance credits and transition to supervision abatement status. The policy must include consideration of an individual's effort to pay restitution to the extent known to the supervising agency and must provide that an individual who has the ability to pay restitution but engages in willful nonpayment is not eligible to transition to supervision abatement status.

(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 or, if applicable, the aggregate length of the supervised release term and conditional release term, the individual is eligible for supervision abatement status. However, the commissioner must not place the individual on supervision abatement status for the remainder of the supervised or conditional release term if the commissioner determines that doing so would present a risk to public safety, after weighing factors including the individual's stability, behavior, or overall adjustment while on supervision. For individuals with lifetime terms of conditional release, the commissioner shall not place the individual on supervision abatement status unless the time served on active supervision plus earned compliance credits equals at least ten years.

EFFECTIVE DATE. This section is effective September 1, 2026."

Delete the title and insert:

"A bill for an act relating to corrections; modifying the supervision abatement status policy; amending Minnesota Statutes 2025 Supplement, section 244.46, subdivision 1."

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 3554, A bill for an act relating to state government; designating the month of January as Snow Professionals Appreciation Month; proposing coding for new law in Minnesota Statutes, chapter 10.

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 3629, A bill for an act relating to state government; changing provisions for grants management; amending Minnesota Statutes 2024, sections 16B.97, subdivisions 4, 5; 16B.98, subdivision 11; 16B.991, subdivision 1.

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 3643, A bill for an act relating to natural resources; establishing working group for Melissa and Mark Hortman Memorial State Park; requiring report; appropriating money.

Reported the same back with the following amendments:

Page 1, line 8, before "The" insert "(a)"

Page 1, after line 21, insert:

"(b) Appointing authorities must submit their appointments to the executive director of the Legislative Coordinating Commission no later than July 15, 2026."

Page 2, delete line 11 and insert "its legislative members."

Page 2, line 13, delete "July" and insert "August"

Page 2, line 25, delete "$....." and insert "$86,000" and delete "....." and insert "general"

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3658, A bill for an act relating to public safety; modifying the processes for applying for, securing, and enforcing extreme risk protection orders; amending Minnesota Statutes 2024, sections 624.7171, subdivisions 1, 4, 5; 624.7172; 624.7173; 624.7174; 624.7175; 624.7176, subdivision 1; 624.7177, subdivision 2; 624.7178, subdivisions 1, 4.

Reported the same back with the following amendments:

Page 9, line 21, after "Except" insert "as otherwise provided in this paragraph or"

Page 9, line 24, after the period, insert "When a peace officer presents a respondent with a search warrant issued pursuant to paragraph (d), the respondent must surrender all firearms in the respondent's possession to the peace officer immediately."

Page 11, delete lines 8 to 11 and insert:

"(e) If the respondent voluntarily agrees to comply with the order by surrendering the respondent's firearms to law enforcement prior to execution of the search warrant, the respondent will be immune from criminal prosecution for unlawful possession of the firearms under section 624.713."

Page 11, after line 22, insert:

"(g) The respondent may sell their firearms while subject to an extreme risk protection order. The sale of firearms by the respondent must comply with paragraph (f)."

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 3672, A bill for an act relating to state government; implementing recommendations of the legislative auditor regarding agency grant, inventory, and debt collection practices; amending Minnesota Statutes 2024, sections 3.978, subdivision 3; 16B.24, by adding a subdivision; 16B.97, subdivisions 3, 4; 16B.98, subdivisions 3, 6, by adding subdivisions; 16D.03, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 16A.057, subdivision 5; 16B.98, subdivision 6a; 16D.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Page 1, line 21, delete everything after the period

Page 1, delete lines 22 and 23

Page 2, line 13, after "assistance" insert ", as resources allow,"

Page 2, line 14, after "Auditor" insert "related to internal controls"

Page 2, delete lines 17 to 19 and insert:

"(a) Unless otherwise specified, an appropriation, allocation, payment, or transfer of money made through a state agency or board to a nongovernmental entity is subject to oversight by the state agency or board, in a manner consistent with sections 16B.97 to 16B.991 or 16C.001 to 16C.36, as applicable."

Page 2, after line 24, insert:

"(c) This section does not apply to payments made by the commissioner of revenue under chapter 290C."

Page 4, line 18, before the semicolon, insert ", with a focus on high-risk grant programs and grantees"

Page 5, line 21, delete everything after the period

Page 5, lines 27, 28, and 31, delete "monitoring" and insert "site"

Page 5, after line 31, insert:

"**EFFECTIVE DATE.** This section is effective January 15, 2027."

Page 6, after line 15, insert:

"**EFFECTIVE DATE.** This section is effective January 15, 2027."

Page 6, line 27, delete "All" and insert "A" and delete "employees" and insert "employee" and delete "oversee" and insert "oversees"

Page 6, line 28, delete "commissioner" and insert "commissioners of Minnesota Management and Budget and the Department of Revenue"

Page 6, line 29, delete "commissioner" and insert "commissioners"

Page 6, after line 30, insert:

"**EFFECTIVE DATE.** This section is effective January 15, 2027."

Page 7, after line 30, insert:

"**EFFECTIVE DATE.** This section is effective July 1, 2027."

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

The report was adopted.

Baker and Pinto from the Committee on Workforce, Labor, and Economic Development Finance and Policy to which was referred:

H. F. No. 3691, A bill for an act relating to public safety; establishing that emergency managers are essential employees; amending Minnesota Statutes 2024, section 179A.03, subdivision 7.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety Finance and Policy.

The report was adopted.

Anderson, P. H., and Hansen, R., from the Committee on Agriculture Finance and Policy to which was referred:

H. F. No. 3692, A bill for an act relating to civil law; extending the Farmer-Lender Mediation Act; amending Minnesota Statutes 2024, section 583.215.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Higher Education Finance and Policy.

The report was adopted.

Koznick and Tabke from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 3694, A bill for an act relating to transportation; permitting tow trucks to use variable message signs; amending Minnesota Statutes 2024, section 168B.16.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3711, A bill for an act relating to human rights; amending administrative hearings provision for human rights cases; amending Minnesota Statutes 2024, section 363A.29, subdivision 1.

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 3750, A bill for an act relating to children, youth, and families licensing; amending certain requirements governing licenses and license exemptions for crisis nurseries; requiring a report; amending Minnesota Statutes 2024, section 142B.05, subdivision 2.

Reported the same back with the following amendments:

Page 3, line 25, delete "2027" and insert "2028"

Page 4, line 8, delete "2027" and insert "2028"

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

The report was adopted.

Koznick and Tabke from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 3785, A bill for an act relating to transportation; modifying definitions and registration requirements for motorized bicycles and motorcycles powered by electric motors; requiring sellers of certain motorized bicycles and motorcycles powered by electric motors to have a dealer license; prohibiting certain vehicles from using public roads; amending Minnesota Statutes 2024, sections 84.787, subdivision 7; 84.788, subdivision 12; 168.27, subdivision 1; 169.011, subdivisions 40b, 45; 169.02, subdivision 1; 169.223, by adding a subdivision; 169.974, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 168.27, subdivision 22.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 6, delete "or liquid fuel" and after "motor" insert "or an internal combustion engine"

Page 2, line 11, delete everything after "when" and insert "registered under section 84.788 and operated on designated off-highway motorcycle trails."

Page 2, line 12, before "Off-highway" insert "(c)"

Page 2, line 29, reinstate the stricken language

Page 3, line 30, after "bicycle" insert "as defined in section 168.002, subdivision 20"

Page 5, after line 6, insert:

"Sec. 5. Minnesota Statutes 2024, section 168.27, subdivision 24, is amended to read:

Subd. 24. **Bonds.** (a) Except as otherwise provided in this subdivision, all persons licensed according to this section shall keep in full force and effect a bond with a corporate surety to be approved by the registrar of motor vehicles in the following amounts; in the case of boat trailer, snowmobile trailer, or horse trailer ~~or motorized bicycle~~ dealers, or dealers in trailers with a manufacturer's rated carrying capacity under 15,000 pounds designed to

transport small construction or farm equipment, in the amount of $5,000; and as to all other persons in the amount of $50,000. The bond must be conditioned on the faithful performance by the licensee of the obligations imposed on persons engaged in motor vehicle transactions by the laws of this state, including the conduct required of a licensee by this section and other sections governing the sale or transfer of motor vehicles, and the payment of all taxes, license fees, and penalties. The bond must be for the benefit of the state of Minnesota and any transferor, seller, or purchaser of a motor vehicle for any monetary loss caused by failure of the licensee to meet the obligations enumerated above. Proceedings on the forfeiture of the bonds must be commenced in the district court of the county wherein the business of the licensed person was carried on, or if in more than one county, the county in which the offense occurred. This subdivision does not apply to a used vehicle parts dealer or a scrap metal processor.

(b) This subdivision does not apply to:

(1) a dealer in new trailers designed to transport small construction or farm equipment in any year following a year in which the dealer had less than $500,000 in gross receipts from the sale of such trailers; or

(2) a dealer in new trailers designed to transport small construction or farm equipment who has been a dealer in such trailers for less than one year and who the department reasonably determines will have gross receipts of less than $500,000 during the first year of business."

Page 5, after line 17, insert:

"Sec. 7. Minnesota Statutes 2024, section 169.011, subdivision 44, is amended to read:

Subd. 44. **Motorcycle.** (a) "Motorcycle" means every motor vehicle ~~having~~ that:

(1) has a seat or saddle for the use of the rider ~~and~~;

(2) is designed to travel on not more than three wheels in contact with the ground~~, including~~; and

(3) is propelled by an electric or liquid fuel motor.

(b) Motorcycle includes but is not limited to a vehicle under paragraph (a) that has an electric motor of at least 1,500 watts, motor scooters, and autocycles.

(c) A vehicle is not a motorcycle ~~does not include~~ if it meets the requirements of (1) a motorized ~~bicycles~~ bicycle as defined in subdivision 45, (2) an electric-assisted ~~bicycles~~ bicycle as defined in subdivision 27, (3) a motorized foot scooter, (4) a tractor, or ~~(4)~~ (5) a roadable aircraft."

Page 6, delete lines 6 to 8 and insert:

"(b) A vehicle must not be operated upon the highways of Minnesota if it does not meet the specifications of a vehicle as defined in section 169.011 in addition to the definition under section 169.011, subdivision 92, either as that vehicle was originally manufactured or subsequently modified."

Page 6, line 12, after "bicycle" insert ": (1)"

Page 6, line 14, delete the period and insert "; or"

Page 6, after line 14, insert:

"(2) has been certified by the vehicle manufacturer for compliance with SAE International standard J2929 or a similar applicable electrical safety standard approved by the commissioner of public safety."

Page 6, line 18, delete everything after "by" and insert "the vehicle manufacturer for compliance with: (1) the latest revision of SAE International standard J2929; or (2) a similar applicable standard from SAE International, International Organization for Standardization (ISO), United Nations Economic Commission for Europe (UNECE), or International Electrotechnical Commission (IEC), or another electrical safety standard. A standard under clause (2) must be approved by the commissioner of public safety."

Page 6, delete lines 19 and 20

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3825, A bill for an act relating to public safety; requiring judge to inquire whether victim has been notified of plea and sentencing hearings; protecting victim from identification in prosecutor's petition for sentence adjustment; expanding victim notification of defendant eligibility for automatic expungement; protecting identity of minor victim in a crime involving sexual performance; expanding protection from employer retaliation to victims of stalking; amending Minnesota Statutes 2024, sections 609.133, subdivision 4; 609.3471; 611A.03, subdivision 1, by adding a subdivision; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3826, A bill for an act relating to public safety; modifying and adding definitions for purposes of identity theft crime; providing the attorney general and county attorneys with additional subpoena authority; altering statutes of limitation for certain fraud-related offenses; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 609.527, subdivision 1; Minnesota Statutes 2025 Supplement, sections 388.23, subdivision 1; 628.26.

Reported the same back with the following amendments:

Page 2, line 5, delete "of financial crimes and fraud" and insert "where there is probable cause to believe a crime has been committed involving a financial crime or fraud"

Page 3, line 29, strike "and" and after "cases" insert ", and cases related to a law enforcement investigation of financial crimes and fraud"

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3827, A bill for an act relating to public safety; clarifying certain grants from the Bureau of Criminal Apprehension to local law enforcement as reimbursements; updating law related to recording of crimes; establishing process for determining how certain criminal records are ineligible for sealing; requiring court to provide orders for protection for access by law enforcement; amending Minnesota Statutes 2024, sections 299C.05; 299C.065; 299C.46, subdivision 6; 609A.015, subdivision 5; Minnesota Statutes 2025 Supplement, section 609.2334, subdivision 11; repealing Minnesota Statutes 2024, section 299C.12.

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

The report was adopted.

Koznick and Tabke from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 3844, A bill for an act relating to transportation; clarifying that an optometrist may prescribe certain window glazing materials; amending Minnesota Statutes 2025 Supplement, section 169.71, subdivision 4a.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3870, A bill for an act relating to public safety; providing research data protection for data on individuals; providing for certain terminology and reference updates for domestic abuse programs and battered women; amending Minnesota Statutes 2024, sections 13.69, subdivision 1; 13.6905, by adding subdivisions; 13.871, subdivision 5; 116L.362, subdivision 1; 119A.37, subdivision 4; 142G.12, subdivision 2; 142G.53; 203B.06, subdivision 3; 203B.11, subdivision 1; 256D.02, subdivision 12a; 256G.02, subdivision 6; 257.75, subdivision 6; 260E.02, subdivision 1; 299A.85, subdivision 4; 299A.90, subdivision 3; 518B.02, subdivision 2; 609.605, subdivision 2; 609.7495, subdivision 1; 611A.31, subdivision 5; 629.72, subdivision 2a; Minnesota Statutes 2025 Supplement, sections 120B.22, subdivision 1; 201.061, subdivision 3; 256G.03, subdivision 2; 609.101, subdivision 2; repealing Minnesota Statutes 2024, sections 611A.201, subdivisions 1, 2, 4, 5; 611A.37, subdivisions 1, 2, 3, 4, 5, 8; 611A.371; 611A.372; 611A.373.

Reported the same back with the following amendments:

Page 2, delete lines 20 and 21 and insert:

"(6) the following data on individuals created, collected, received, stored, used, or maintained by the Office of Justice Programs: the name, address, email address, telephone number, date of birth, or employer of a research participant; a unique identification number assigned to a research participant; and any other data that could reasonably identify a research participant."

Page 2, delete lines 25 to 28

Page 2, line 29, reinstate the stricken language and delete the new language

Page 3, line 4, delete "(a)," and insert "(c)."

Page 3, delete line 5

Page 3, line 10, delete "(a), clause (22)" and insert "(c)"

Page 23, delete section 27

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Public Safety Finance and Policy.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3893, A bill for an act relating to health occupations; regulating use of artificial intelligence in psychotherapy services; providing for civil penalties; proposing coding for new law in Minnesota Statutes, chapter 214.

Reported the same back with the following amendments:

Page 1, line 15, after "reminders" insert ", performed by the licensed professional, by an employee of the licensed professional, or by a business associate according to a business associate agreement. For purposes of this clause, "business associate" has the meaning given in Code of Federal Regulations, title 45, section 160.103"

Page 5, line 19, after "section" insert "by a licensed professional; determine whether a licensed professional violated this section; and impose appropriate disciplinary action" and after the period insert "Nothing in this section limits the duty of a health-related licensing board to regulate licensed professionals in a manner that protects the health, safety, and welfare of people in Minnesota."

With the recommendation that when so amended the bill be re-referred to the Committee on Commerce Finance and Policy.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3908, A bill for an act relating to drivers' licenses; modifying ignition interlock program license revocation requirements; classifying driver's license indicators as private data; making technical corrections; amending Minnesota Statutes 2024, sections 13.6905, by adding a subdivision; 171.12, subdivision 7c, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 171.12, subdivision 7; 171.178, subdivision 5; 171.306, subdivision 1; repealing Minnesota Statutes 2024, section 169A.54, subdivision 6.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3946, A bill for an act relating to public safety; requiring law enforcement agencies to report certain information in domestic abuse cases; authorizing certain arrests for suspected nonfelony domestic abuse; requiring a person arrested for suspected domestic abuse to be held in custody until the person's first court appearance; establishing the Task Force on Improving Responses to Domestic Violence Crimes; requiring annual reports; appropriating money; amending Minnesota Statutes 2024, sections 611A.0311, subdivision 1; 629.341, subdivisions 1, 4; 629.72, subdivisions 1a, 6; Minnesota Statutes 2025 Supplement, section 299C.80, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 626; repealing Minnesota Statutes 2024, section 629.72, subdivision 3.

Reported the same back with the following amendments:

Page 4, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2024, section 629.341, subdivision 1, is amended to read:

Subdivision 1. **Arrest; referral for prosecution.** (a) Notwithstanding section 629.34 or any other law or rule, a peace officer may arrest a person anywhere without a warrant, including at the person's residence, if the peace officer has probable cause to believe that within the preceding ~~72 hours~~ 28 days, exclusive of the day probable cause was established, the person has committed nonfelony domestic abuse, as defined in section 518B.01, subdivision 2. The arrest may be made even though the assault did not take place in the presence of the peace officer.

(b) If a peace officer has probable cause to believe that a person has committed an act that constitutes harassment or stalking in violation of section 609.749; domestic abuse as defined in section 518B.01, subdivision 2; violation of an order for protection as described in section 518B.01, subdivision 14; or violation of a domestic abuse no contact order as described in section 629.75 and the person was not arrested, the peace officer should seek a warrant from a judge for the person's arrest without undue delay. A warrant issued under this paragraph is not subject to the limitations described in section 629.31."

Page 5, delete sections 6 and 7 and insert:

"Sec. 6. Minnesota Statutes 2024, section 629.72, subdivision 1a, is amended to read:

Subd. 1a. **Detention in lieu of citation; release.** (a) Notwithstanding any other law or rule, an arresting officer may not issue a citation in lieu of arrest and detention to an individual charged with harassing or stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order.

(b) Notwithstanding any other law or rule, an individual who is arrested on a charge of harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order, must be brought to the police station or county jail. An individual who is arrested on a charge of violation of an order for protection or violation of a domestic abuse no contact order must be detained until the person's first court appearance as required under sections 518B.01, subdivision 14, paragraph (e), and 629.75, subdivision 3. The officer in charge of the police station or the county sheriff in charge of the jail shall issue a citation in lieu of continued detention for a charge of harassing or stalking any person or for domestic abuse unless it reasonably appears to the officer or sheriff that release of the person (1) poses a threat to the alleged victim or another family or household member, (2) poses a threat to public safety, or (3) involves a substantial likelihood the arrested person will fail to appear at subsequent proceedings. In determining if the person poses a threat to the alleged victim or another family or household member, the officer in charge of the police station or the county sheriff in charge of the jail must consider the person's history of domestic violence, including but not limited to:

(1) any previous arrest or conviction for harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order;

(2) any order for protection, harassment restraining order, or domestic abuse no contact order in which the person was identified as the subject of the order; and

(3) any pending petitions for an order for protection or a harassment restraining order in which the person is a respondent.

(c) If the arrested person is not issued a citation by the officer in charge of the police station or the county sheriff, the arrested person must be brought before the nearest available judge of the district court in the county in which the alleged harassing or stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order took place without unnecessary delay as provided by court rule.

Sec. 7. Minnesota Statutes 2024, section 629.72, subdivision 2, is amended to read:

Subd. 2. **Judicial review; release; bail.** (a) The judge before whom the arrested person is brought shall review the facts surrounding the arrest and detention of a person arrested for domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order. The prosecutor or prosecutor's designee shall present relevant information involving the victim's or the victim's family's account of the alleged crime to the judge to be considered in determining the arrested person's release. If the person was arrested for violation of an order for protection or violation of a domestic abuse no contact order, the prosecutor or prosecutor's designee must describe the allegations in the underlying petition or criminal case. The prosecutor or prosecutor's designee may present information and bail recommendations in person or by filing it with the court through the appropriate electronic filing system. In making a decision concerning pretrial release conditions of a person arrested for domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order, the judge shall review the facts of the arrest and detention of the person and the relevant information presented or filed by the prosecutor or prosecutor's designee and determine whether: (1) release of the person poses a threat to the alleged victim, another family or household member, or public safety; or (2) there is a substantial likelihood the person will fail to appear at subsequent proceedings. Before releasing a person arrested for or charged with a crime of domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order, the judge shall make findings on the record, to the extent possible, concerning the determination made in accordance with the factors specified in clauses (1) and (2). The findings should describe whether the person:

(1) was previously arrested for, or convicted of, harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order;

(2) has ever been the subject of an order for protection, harassment restraining order, or domestic abuse no contact order and, if so, the nature of the allegations or charges that gave rise to the order; and

(3) is the respondent in any pending petition for an order for protection or harassment restraining order and, if so, the nature of the allegations in any petition.

(b) The judge may impose conditions of release or bail, or both, on the person to protect the alleged victim or other family or household members and to ensure the appearance of the person at subsequent proceedings. These conditions may include an order:

(1) enjoining the person from threatening to commit or committing acts of domestic abuse or harassing or stalking against the alleged victim or other family or household members or from violating an order for protection or a domestic abuse no contact order;

(2) prohibiting the person from harassing, annoying, telephoning, contacting, or otherwise communicating with the alleged victim, either directly or indirectly;

(3) directing the person to vacate or stay away from the home of the alleged victim and to stay away from any other location where the alleged victim is likely to be;

(4) prohibiting the person from possessing a firearm or other weapon specified by the court;

(5) prohibiting the person from possessing or consuming alcohol or controlled substances; and

(6) specifying any other matter required to protect the safety of the alleged victim and to ensure the appearance of the person at subsequent proceedings.

(c) If conditions of release are imposed, the judge shall issue a written order for conditional release. The court administrator shall immediately distribute a copy of the order for conditional release to the agency having custody of the arrested person and shall provide the agency having custody of the arrested person with any available information on the location of the victim in a manner that protects the victim's safety. Either the court or its designee or the agency having custody of the arrested person shall serve upon the defendant a copy of the order. Failure to serve the arrested person with a copy of the order for conditional release does not invalidate the conditions of release.

(d) If the judge imposes as a condition of release a requirement that the person have no contact with the alleged victim, the judge may also, on its own motion or that of the prosecutor or on request of the victim, issue an ex parte temporary restraining order under section 609.748, subdivision 4, or an ex parte temporary order for protection under section 518B.01, subdivision 7. Notwithstanding section 518B.01, subdivision 7, paragraph (b), or 609.748, subdivision 4, paragraph (c), the temporary order is effective until the defendant is convicted or acquitted, or the charge is dismissed, provided that upon request the defendant is entitled to a full hearing on the restraining order under section 609.748, subdivision 5, or on the order for protection under section 518B.01. The hearing must be held within seven days of the defendant's request."

Page 6, line 22, after "Defense" insert ", the Minnesota Association of Criminal Defense Lawyers"

Correct the title numbers accordingly

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3951, A bill for an act relating to housing; providing for submetered utility service final billing for vacating tenants; modifying provisions related to the payment of rent by tenants; amending Minnesota Statutes 2024, sections 216B.023, by adding a subdivision; 504B.118; 504B.216, by adding a subdivision.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3970, A bill for an act relating to civil law; establishing a remedy to extinguish a joint interest in a contract for deed of a perpetrator of domestic abuse or sexual assault; amending Minnesota Statutes 2024, section 559.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 500.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[559.206] ACTION TO TERMINATE AN INTEREST IN A CONTRACT FOR DEED BY A VICTIM OF DOMESTIC VIOLENCE.**

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

(b) "Contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

(c) "Criminal sexual assault" means conduct described in sections 609.342 to 609.3451.

(d) "Domestic abuse" has the meaning given under section 518B.01, subdivision 2.

(e) "Harassment" means the conduct described under sections 609.748, subdivision 1, paragraph (a), clause (1), and 609.749, subdivision 2, paragraph (c).

(f) "Qualified third party" means a person, acting in an official capacity, who has provided professional services to a petitioner or a child who resides with the petitioner and is:

(1) a licensed health care professional operating within the scope of the license;

(2) a domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l); or

(3) a sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k).

(g) "Qualifying document" means:

(1) a valid order for protection issued under chapter 518B;

(2) a no contact order currently in effect, issued under section 629.75 or chapter 609;

(3) a writing produced and signed by a court official, acting in an official capacity, documenting that the petitioner, or a child who resides with the petitioner, is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment and naming the perpetrator, if known;

(4) a writing produced and signed by a city, county, state, or Tribal law enforcement official, acting in an official capacity, documenting that the petitioner, or a child who resides with the petitioner, is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment and naming the perpetrator, if known; or

(5) a sworn written certification.

(h) "Petitioner" means a person who has a partial interest as a vendee in a contract for deed for the purchase of residential real property with the respondent and is seeking to have the respondent's interest terminated, and:

(1) is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment; or

(2) resides with a child who is the victim of domestic abuse, criminal sexual conduct, sexual extortion, or harassment.

(i) "Respondent" means a person who has a partial interest as a vendee with the petitioner in a contract for deed for the purchase of residential real property and whose interest in the contract for deed is the subject of a petition under this section.

(j) "Sexual extortion" means the conduct described under section 609.3458.

(k) "Sworn written certification" means a statement by a qualified third party, in the following form:

"CERTIFICATION 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 Minnesota Statutes, section 595.02, subdivision 1, paragraph (l); or sexual assault counselor, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (k), who has provided professional services to ..... (name of petitioner) or a child who resides with the petitioner.

2. I have a reasonable basis to believe ..... (name of petitioner) or a child who resides with the petitioner is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment by ..... (name of respondent).

3. I understand that the person listed above may use this document as a basis for seeking a court order terminating the interest in the contract for deed of the respondent in a court action initiated by the petitioner pursuant to Minnesota Statutes, section 559.206.

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 number)

(Date)"

(l) "Vendee" means a person or entity who has entered into a contract for deed to purchase residential real property under a contract for deed.

(m) "Vendor" means a person or entity selling residential real property under a contract for deed. Vendor includes the vendor's successor and assignees.

Subd. 2. **Petition to terminate respondent's interest.** (a) A petitioner who is unmarried may petition the court for an order to terminate the respondent's interest in the contract for deed. The petition must allege that:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract for deed for the six consecutive months preceding the commencement of the action under this section; and

(3) the petitioner has made all payments due on the contract for deed during the six consecutive months preceding the commencement of the action under this section.

(b) The petitioner must serve a summons that includes the petition and the legal description of the property subject to the contract for deed on:

(1) the respondent;

(2) the current vendor;

(3) state and federal tax lienholders; and

(4) any judgment lienholders.

(c) The summons must be served in the manner provided to commence a civil lawsuit under Minnesota Rules of Civil Procedure. The respondent shall have 21 days after service of the summons to answer.

(d) A notice of lis pendens must be recorded in the office of the county recorder or filed in the office of the registrar of titles in the county in which the real property that is the subject of the contract for deed is located.

Subd. 3. **Content of summons.** In addition to the requirements set forth under subdivision 2, the summons must contain the following information:

(1) the date the contract for deed was executed;

(2) the address of the property that is the subject of the contract for deed;

(3) the name of the vendor;

(4) the names of the vendees;

(5) the date of recordation of the contract for deed, the document number, and the county in which it was recorded;

(6) the case name;

(7) the court file number; and

(8) the judicial district in which the property is located.

Subd. 4. **Jurisdiction.** (a) Except as provided in paragraph (b), the district court has jurisdiction over petitions seeking termination of the interest of the respondent.

(b) Unless otherwise provided by applicable law, nothing in this section infringes upon the jurisdiction of a Tribal court in the matter of a petition to terminate the interest of a respondent in a contract for deed.

Subd. 5. **Procedure.** (a) If the respondent, the vendor, or any lienholder has not filed an answer within 21 days after service has been made, the court must grant the petition.

(b) If an answer is filed and the petition is contested, the court must hold a hearing. The court must grant the petition if the petitioner demonstrates by a preponderance of the evidence that:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract for deed for the six consecutive months preceding the commencement of the action under this section; and

(3) the petitioner has paid all amounts required under the contract for deed during the six consecutive months preceding the commencement of the action under this section.

(c) A petitioner demonstrates that the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent if:

(1) the petitioner presents a qualifying document; or

(2) the respondent has been convicted of or received a stay of adjudication for a violation of section 518B.01, 609.27, 609.282, 609.322, 609.342 to 609.3451, 609.3458, 609.527, or 609.749 where the victim was the petitioner or a child who resides with the petitioner.

Subd. 6. **Defense; prejudice to the vendor.** A vendor may contest a petition filed under this section by demonstrating by a preponderance of the evidence that granting the petition to terminate the respondent's interest will prejudice the vendor. A court must not grant the petition if the court finds that the vendor will be prejudiced by a termination of the respondent's interest.

Subd. 7. **Order.** If the court grants the petition, the court shall issue an order terminating the interest of the respondent and finding that the petitioner has met the burden of showing:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract for deed for the six consecutive months preceding the commencement of the action under this section; and

(3) the petitioner has made payments due on the contract during the six consecutive months preceding the commencement of the action under this section.

Subd. 8. **Contract for deed termination judgment.** (a) A court granting the requested relief shall direct the petitioner or the petitioner's legal counsel to prepare and submit to the court a proposed contract for deed termination judgment, which must provide that the respondent's interest is terminated and of no further force or effect. Upon approval by the court and filing of the contract for deed termination judgment with the court administrator, the court administrator must provide to any party upon request certified copies of the contract for deed termination judgment. The contract for deed termination judgment must contain the following information:

(1) the date of execution of the contract for deed;

(2) the date of recordation of the contract for deed and the county in which it was recorded;

(3) the date of entry of the judgment terminating the respondent's interest in the contract for deed;

(4) the names of the parties' attorneys or if any or all appeared pro se;

(5) whether and when the summons and petition were served upon the respondent and vendor as required under the Minnesota Rules of Civil Procedure;

(6) the name of the judge who signed the order;

(7) whether the judgment and decree resulted from a stipulation, a default, or a trial and the appearances at the default or trial;

(8) any former name of either party;

(9) the address and legal description of the property that is the subject of the contract for deed;

(10) if recorded, the document number of the contract for deed;

(11) if the property is registered land, the certificate of title number of the real property;

(12) the name or names of the person or persons awarded an interest in the real property and a description of the interest awarded;

(13) liens, mortgages, encumbrances, or other interests in the real estate described in the judgment and decree;

(14) the signature of the judge and the date signed; and

(15) the signature of the court administrator and the date signed.

(b) Notwithstanding any provision contained in the contract for deed, a respondent whose interest has been terminated has no interest as a vendee in the contract for deed.

(c) The petitioner must record the contract for deed termination judgment with the county recorder or the registrar of titles, as applicable.

(d) A contract for deed termination judgment is binding on the interest of the vendor and all vendees under the contract for deed.

Subd. 9. **Effect of termination.** (a) The termination of the respondent's interest in the contract for deed does not terminate or invalidate any other provision of the contract for deed. The respondent's interest that has been terminated shall be transferred to the petitioner by operation of law.

(b) A respondent whose interest has been terminated under this section has no further liability on the contract for deed and a vendor shall have no cause of action against the respondent for damages or performance.

EFFECTIVE DATE. This section is effective July 1, 2026, and applies to contracts for deed entered into on or after that date.

Sec. 2. Minnesota Statutes 2024, section 559.21, is amended by adding a subdivision to read:

Subd. 10. **Applicability to section 559.206.** Nothing in this section shall apply to a vendee whose interest was terminated under section 559.206.

EFFECTIVE DATE. This section is effective July 1, 2026, and applies to contracts for deed entered into on or after that date."

Correct the title numbers accordingly

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 3990, A bill for an act relating to state government; changing provisions for employment or occupation due to conviction of a crime; amending Minnesota Statutes 2024, sections 364.03, subdivision 3; 364.05.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 8.16, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The attorney general, or any deputy, assistant, or special assistant attorney general whom the attorney general authorizes in writing, has the authority in any county of the state to subpoena and require the production of:

(1) any records of:

(i) telephone companies, cellular phone companies, paging companies, subscribers of private computer networks including Internet service providers or computer bulletin board systems;

(ii) electric companies, gas companies, and water utilities;

(iii) chemical suppliers;

(iv) hotels and motels;

(v) pawn shops;

(vi) airlines, buses, taxis, and other entities engaged in the business of transporting people; and

(vii) freight companies, self-service storage facilities, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery;

(2) books, papers, correspondence, memoranda, agreements, and other documents or records related to a law enforcement investigation where there is probable cause to believe a crime has been committed involving a financial crime or fraud, including but not limited to fraud involving state funded or administered programs or services as defined in section 299C.061, subdivision 1, paragraph (b), and insurance fraud in violation of section 609.611; and

(3) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 2. Minnesota Statutes 2024, section 12.221, subdivision 6, is amended to read:

Subd. 6. **Disaster assistance contingency account; appropriation.** (a) A disaster assistance contingency account is created in the special revenue fund in the state treasury. Money in the disaster assistance contingency account is appropriated to the commissioner of public safety to provide:

(1) cost-share for federal assistance under section 12A.15, subdivision 1;

(2) state public disaster assistance to eligible applicants under chapter 12B;

(3) cost-share for federal assistance from the Federal Highway Administration emergency relief program under United States Code, title 23, section 125; and

(4) cost-share for federal assistance from the United States Department of Agriculture, Natural Resources Conservation Service emergency watershed protection program under United States Code, title 16, sections 2203 to 2205.

(b) For appropriations under paragraph (a), clause (1), the amount appropriated is 100 percent of any nonfederal share for state agencies, local governments, and utility cooperatives. Money appropriated under paragraph (a), clause (1), may be used to pay all or a portion of the nonfederal share for publicly owned capital improvement projects.

(c) For appropriations under paragraph (a), clause (2), the amount appropriated is the amount required to pay eligible claims under chapter 12B, as certified by the commissioner of public safety.

(d) By January ~~15~~ 31 of each year, the commissioner of management and budget shall submit a report to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee detailing state disaster assistance appropriations and expenditures under this subdivision during the previous calendar year.

(e) The governor's budget proposal submitted to the legislature under section 16A.11 must include recommended appropriations to the disaster assistance contingency account. The governor's appropriation recommendations must be informed by the commissioner of public safety's estimate of the amount of money that will be necessary to:

(1) provide 100 percent of the nonfederal share for state agencies, local governments, and utility cooperatives that will receive federal financial assistance from FEMA during the next biennium; and

(2) fully pay all eligible claims under chapter 12B.

(f) Notwithstanding section 16A.28:

(1) funds appropriated or transferred to the disaster assistance contingency account do not lapse but remain in the account until appropriated; and

(2) funds appropriated from the disaster assistance contingency account do not lapse and are available until expended.

Sec. 3. Minnesota Statutes 2024, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, the judicial branch for purposes of debt collection, and the Department of Natural Resources for purposes of license application administration, and except that the last four digits of the Social Security number must be provided to the Department of Human Services for purposes of recovery of Minnesota health care program benefits paid;

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder; ~~and~~

(5) race and ethnicity data on driver's license holders and identification card holders under section 171.06, subdivision 3. The Department of Public Safety Office of Traffic Safety is authorized to receive race and ethnicity data from Driver and Vehicle Services for only the purposes of research, evaluation, and public reports~~.~~; and

(6) the following data on individuals created, collected, received, stored, used, or maintained by the Office of Justice Programs: the name, address, email address, telephone number, date of birth, or employer of a research participant; a unique identification number assigned to a research participant; and any other data that could reasonably identify a research participant.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

Sec. 4. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision to read:

Subd. 39. **Office for Missing and Murdered Indigenous Relatives.** Data related to victim and family support are governed by section 299A.85, subdivision 4, paragraph (c).

Sec. 5. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision to read:

Subd. 40. **Office for Missing and Murdered Black Women and Girls.** Data related to victim and family support are governed by section 299A.90, subdivision 3, paragraph (c).

Sec. 6. Minnesota Statutes 2024, section 13.871, subdivision 5, is amended to read:

Subd. 5. **Crime victims.** (a) **Crime victim notice of release.** Data on crime victims who request notice of an offender's release are classified under section 611A.06.

(b) **Sex offender HIV tests.** Results of HIV tests of sex offenders under section 611A.19, subdivision 2, are classified under that section.

~~(c) **Battered women.** Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.~~

~~(d)~~ (c) **Victims of domestic abuse.** Data on ~~battered women and~~ victims of domestic abuse maintained by grantees ~~and recipients of per diem payments~~ for emergency shelter ~~for battered women~~ and support services ~~for battered women and victims of domestic abuse~~ are governed by sections 611A.32, subdivision 5, and 611A.371, subdivision 3.

~~(e)~~ (d) **Personal history; internal auditing.** Certain personal history and internal auditing data is classified by section 611A.46.

~~(f)~~ (e) **Crime victim claims for reimbursement.** Claims and supporting documents filed by crime victims seeking reimbursement are classified under section 611A.57, subdivision 6.

~~(g)~~ (f) **Crime Victim Oversight Act.** Data maintained by the commissioner of public safety under the Crime Victim Oversight Act are classified under section 611A.74, subdivision 2.

~~(h)~~ (g) **Victim identity data.** Data relating to the identity of the victims of certain criminal sexual conduct is governed by section 609.3471.

~~(i)~~ (h) **Victim notification.** Data on victims requesting a notice of release of an arrested or detained person are classified under sections 629.72 and 629.73.

~~(j)~~ (i) **Immigration status certification.** Disclosure of the immigration status of a crime victim and the classification of that data is governed by section 611A.95, subdivision 4.

Sec. 7. Minnesota Statutes 2024, section 116L.362, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience for targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, improvement, or construction of (1) residential units for the homeless; (2) improvements to the energy efficiency and environmental health of residential units and other green jobs purposes; (3) facilities to support community garden projects; or (4) education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.

(b) Eligible facilities must principally provide services to homeless or low income individuals and families, and include the following:

(1) Head Start or day care centers, including playhouses or similar incidental structures;

(2) homeless, ~~battered women~~ domestic abuse, or other shelters;

(3) transitional housing and tiny houses;

(4) youth or senior citizen centers;

(5) community health centers; and

(6) community garden facilities.

Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Sec. 8. Minnesota Statutes 2024, section 119A.37, subdivision 4, is amended to read:

Subd. 4. **Additional services.** Each parenting time center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse. Each parenting time center must have available an individual knowledgeable about or experienced in the provision of services to ~~battered women and~~ domestic abuse victims on its staff, its board of directors, or otherwise available to it for consultation.

Sec. 9. Minnesota Statutes 2025 Supplement, section 120B.22, subdivision 1, is amended to read:

Subdivision 1. **Violence prevention curriculum.** (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, ~~battered women's and~~ domestic abuse programs~~, battered women's~~ and shelters, sexual assault centers, and representatives of religious communities, ~~and the assistant commissioner of the Office of Drug Policy and Violence Prevention,~~ shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, sexual, racial, and cultural harassment, self-protection, and student hazing that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse, including physical abuse, and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and service cooperatives;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior;

(8) opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment or student hazing.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Sec. 10. Minnesota Statutes 2024, section 142G.12, subdivision 2, is amended to read:

Subd. 2. **30-day residency requirement.** An assistance unit is considered to have established residency in this state only when a child or caregiver has resided in this state for at least 30 consecutive days with the intention of making the person's home here and not for any temporary purpose. The birth of a child in Minnesota to a member of the assistance unit does not automatically establish the residency in this state under this subdivision of the other members of the assistance unit. Time spent in a shelter for ~~battered women~~ domestic abuse victims shall count toward satisfying the 30-day residency requirement.

Sec. 11. Minnesota Statutes 2024, section 142G.53, is amended to read:

142G.53 FAMILY VIOLENCE WAIVER CRITERIA.

(a) In order to qualify for a family violence waiver, an individual must provide documentation of past or current family violence which may prevent the individual from participating in certain employment activities.

(b) The following items may be considered acceptable documentation or verification of family violence:

(1) police, government agency, or court records;

(2) a statement from ~~a battered women's~~ domestic abuse shelter staff with knowledge of the circumstances;

(3) a statement from a sexual assault or domestic violence advocate with knowledge of the circumstances; or

(4) a statement from professionals from whom the applicant or recipient has sought assistance for the abuse.

(c) A claim of family violence may also be documented by a sworn statement from the applicant or participant and a sworn statement from any other person with knowledge of the circumstances or credible evidence that supports the client's statement.

Sec. 12. Minnesota Statutes 2024, section 152.027, subdivision 7, is amended to read:

Subd. 7. **Sale or possession of kratom.** (a) A person who unlawfully sells any amount of kratom or a substance that contains mitragynine or 7-hydroxymitragynine to a person under the age of ~~18~~ 21 is guilty of a gross misdemeanor.

(b) A person under the age of ~~18~~ 21 who unlawfully possesses any amount of kratom or a substance that contains mitragynine or 7-hydroxymitragynine is guilty of a misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2025 Supplement, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register or update a registration on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering or updating a registration by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or an employee who provides proof that they are employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. An election judge may not sign a proof of residence oath vouching for any individual who appears in the precinct where the election judge is working unless the election judge personally knows the individual is a resident of the precinct. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The secretary of state must publish guidance for residential facilities and residential facility employees on the vouching process and the requirements of this subdivision.

(c) "Residential facility" means transitional housing as defined in section 256K.48, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; an assisted living facility licensed by the commissioner of health under chapter 144G; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a

residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 10a; ~~a shelter for battered women~~ emergency shelter services for domestic abuse victims as defined in section ~~611A.37, subdivision 4~~ 611A.31, subdivision 3; a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245.462, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.

(d) For tribal band members, an individual may prove residence for purposes of registering or updating a registration by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 14. Minnesota Statutes 2024, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) The county auditor, municipal clerk, school district clerk, or full-time clerk of any city or town administering an election pursuant to section 203B.05, shall mail absentee ballots to voters on the permanent absentee ballot list pursuant to section 203B.04, subdivision 5, on the following timelines:

(1) except as otherwise provided by this section, at least 46 days before each regularly scheduled primary and general election and each special primary and special election;

(2) as soon as practicable for a special election held pursuant to section 204D.19, subdivisions 2 and 3; and

(3) at least 30 days before a town general election held in March.

(b) The commissioner of corrections must provide the secretary of state with a list of the names and mailing addresses of state adult correctional facilities. An application for an absentee ballot that provides an address included on the list provided by the commissioner of corrections must not be accepted and an absentee ballot must not be provided to the applicant. The county auditor or municipal clerk must promptly transmit a copy of the application to the county attorney. The Department of Corrections must implement procedures to ensure that absentee ballots issued under this chapter are not received or mailed by offenders incarcerated at state adult correctional facilities.

(c) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4, to a voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient in a health care facility, a resident of an assisted living facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for ~~battered women~~ domestic abuse victims as defined in section ~~611A.37, subdivision 4~~ 611A.31, subdivision 2.

(d) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.121, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

Sec. 15. Minnesota Statutes 2024, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws must designate election judges to deliver absentee ballots in accordance with this section. The county auditor must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in one of the following facilities located in the municipality in which the voter maintains residence: a health care facility, hospital, or veterans home operated by the board of directors of the Minnesota veterans homes under chapter 198. The ballots must be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they must travel together in the same vehicle. Both election judges must be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges must deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

(b) At the discretion of a full-time municipal clerk, school district clerk, or county auditor, absentee ballots may be delivered in the same manner as prescribed in paragraph (a) to a shelter for ~~battered women~~ domestic abuse victims as defined in section ~~611A.37, subdivision 4~~ 611A.31, subdivision 2, or to an assisted living facility licensed under chapter 144G.

Sec. 16. **[241.011] LICENSING AND INSPECTING JUVENILE AND ADULT COMMUNITY-BASED RESIDENTIAL CORRECTIONAL FACILITIES.**

Subdivision 1. **Scope.** Except as provided under section 241.021, sections 241.011 to 241.013 apply to juvenile and adult community-based residential correctional facilities licensed by the commissioner of corrections. For the purposes of sections 241.011 to 241.013, juvenile and adult community-based residential correctional facilities are defined as local correctional facilities.

Subd. 2. **Definitions.** (a) For purposes of sections 241.011 to 241.021, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of corrections.

(c) "Critical incident" has the meaning given in Minnesota Rules, part 2960.0020, subpart 24.

(d) "Department" means the Department of Corrections.

(e) "Emergency or unusual occurrence" means an incident that must be reported to the commissioner through the department's detention information system.

(f) "Facility administrator" means the officer in charge of a local correctional facility.

(g) "Local correctional facility" includes:

(1) a facility licensed to house or serve primarily adults under section 241.31; and

(2) a facility licensed to detain or serve juveniles, including a group home having a residential component or foster care facility placements under chapter 260C, for the primary purpose of:

(i) residential care and treatment;

(ii) detention; or

(iii) foster care services for children in need of out-of-home placement.

(h) "State correctional facility" means a correctional facility under the commissioner's control.

Subd. 3. **Local correctional facilities; inspection and licensing.** The commissioner must inspect and license all local correctional facilities throughout the state established and operated:

(1) for serving or housing individuals in the facilities; or

(2) consistent with section 241.013, subdivision 4, paragraph (a), for detaining or serving juveniles placed in the facilities by a correctional or noncorrectional agency.

Subd. 4. **Inspecting facilities for compliance; publishing inspection reports.** (a) Unless the commissioner determines otherwise, the commissioner must inspect all local correctional facilities at least once every two years to determine compliance with the minimum standards established according to sections 241.011 to 241.013 or any other law related to minimum standards and conditions of confinement, not including section 241.021, subdivisions 1 to 1e.

(b) The commissioner must have access to a facility's buildings, grounds, books, records, and staff and to individuals detained or housed in or served by the facility. The commissioner may require facility administrators to furnish all information and statistics that the commissioner deems necessary at a time and place designated by the commissioner.

(c) The commissioner must post each facility inspection report publicly on the department's website within 30 days after completing an inspection.

Subd. 5. **Granting license; expiration.** (a) The commissioner must grant a license for up to two years to:

(1) any facility found to conform to minimum standards; or

(2) any facility that the commissioner determines is making satisfactory progress toward substantial conformity and any minimum standards not being met do not impact the interests and well-being of the individuals detained or housed in or served by the facility.

(b) A limited license may be issued to effectuate a facility closure.

(c) Unless otherwise provided by law, all licenses issued under sections 241.011 to 241.013 expire 12:01 a.m. on the day after the expiration date stated on the license.

Subd. 6. **Providing and accessing facility data.** (a) The commissioner may require that any information under sections 241.011 to 241.013 be provided through the department's detention information system.

(b) Notwithstanding chapter 13 or any other state law classifying or restricting access to data, a facility administrator must furnish to the commissioner all data available to a facility that the commissioner deems necessary for reviewing any critical incident or emergency or unusual occurrence at the facility.

(c) The commissioner may take action against a facility's license according to section 241.012 if a facility administrator fails to provide or grant access to relevant information or statistics requested by the commissioner that are necessary to conduct or complete:

(1) inspections;

(2) reviews of emergency or unusual occurrences; or

(3) reviews of critical incidents.

Subd. 7. **Reporting; deaths, emergencies or unusual occurrences, and critical incidents.** (a) A facility administrator must report a death to the commissioner when:

(1) an individual detained or housed in the facility dies at the facility; or

(2) an individual dies while receiving medical care stemming from an incident or need for medical care at the facility that occurred while the individual was detained or housed in the facility.

(b) Paragraph (a), clause (2), applies regardless of whether the individual was subject to the facility's authority while requiring or receiving the medical care.

(c) A facility administrator must:

(1) report a death under this subdivision as soon as practicable, but no later than 24 hours of receiving knowledge of the death; and

(2) include any demographic information required by the commissioner.

(d) Except for deaths under paragraphs (a) to (c), all facility administrators must report all critical incidents or emergency or unusual occurrences to the commissioner within ten days of the incident or occurrence, including any demographic information required by the commissioner.

Subd. 8. **Death review teams.** (a) If a local correctional facility under subdivision 2, paragraph (g), clause (2), receives notice of the death of an individual who died under circumstances described in subdivision 7, paragraph (a), within 90 days of the death, the following individuals must review the circumstances of the death and assess for preventable mortality and morbidity, including but not limited to recommending policy or procedure change:

(1) the facility administrator;

(2) a medical expert of the facility's choosing who did not provide medical services to the individual and who is licensed as a physician or physician assistant by the Board of Medical Practice under chapter 147 or 147A; and

(3) if appropriate, a mental health expert.

(b) The investigating law enforcement agency may provide documentation for, participate in, or provide documentation for and participate in the review if criminal charges are not brought. A preliminary autopsy report must be provided as part of the review and any subsequent autopsy findings as available.

(c) The facility administrator must notify the commissioner via the department's detention information system that the facility has conducted a review and identify any recommendations for changes in policy, procedure, or training that will be implemented.

(d) Any report or other documentation created for purposes of a facility death review is confidential data on individuals under section 13.02, subdivision 3. Nothing in this section relieves the facility administrator from complying with the notice of death to the commissioner required under subdivision 7.

Subd. 9. **Rulemaking.** (a) The commissioner must adopt rules establishing minimum standards for local correctional facilities for the management, operation, and physical condition of the facilities and the security, safety, health, treatment, and discipline of individuals detained or housed in or served by the facilities.

(b) The time limit to adopt rules under section 14.125 does not apply to amendments to rule chapters in effect on the effective date of this section.

Sec. 17. **[241.012] LICENSING ACTIONS AGAINST JUVENILE AND ADULT COMMUNITY-BASED RESIDENTIAL CORRECTIONAL FACILITIES.**

Subdivision 1. **Correction order; conditional license.** (a) For any local correctional facility under section 241.011, subdivision 2, paragraph (g), the commissioner must:

(1) promptly notify the facility administrator and the facility's governing board of a deficiency if the commissioner finds that:

(i) the facility does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance; and

(ii) the nonconformance does not present an imminent risk of life-threatening harm or serious physical injury to the individuals detained or housed in or served by the facility; and

(2) issue a correction order or a conditional license order requiring that the deficiency be remedied within a reasonable and specified period.

(b) A conditional license order may restrict the use of any facility that does not substantially conform to minimum standards, including by:

(1) imposing conditions limiting operation of the facility or parts of the facility;

(2) reducing facility capacity;

(3) limiting intake;

(4) limiting length of detention or placement for individuals; or

(5) imposing detention or placement limitations based on the needs of the detained or housed individuals or individuals served by the facility.

(c) A correction order or conditional license order must clearly state:

(1) the specific minimum standards violated, noting the implicated rule or statute;

(2) the findings that constitute a violation of minimum standards;

(3) the corrective action needed;

(4) the time allowed to correct each violation; and

(5) if a license is made conditional:

(i) the length and terms of the conditional license;

(ii) any conditions limiting operation of the facility or parts of the facility; and

(iii) the reasons for making the license conditional.

(d) Nothing in this section prohibits the commissioner from ordering a revocation under subdivision 3 before issuing a correction order or conditional license order.

Subd. 2. **Requesting review of conditional license order.** (a) A facility administrator may request that the commissioner review the findings in a conditional license order under subdivision 1 on the grounds that satisfactory progress toward substantial compliance with minimum standards has been made, supported by evidence of correction. If appropriate, the request may include a written schedule for compliance.

(b) Within ten business days of receiving a request, the commissioner must review the evidence of correction and the progress made toward substantial compliance with minimum standards.

(c) When the commissioner has assurance that satisfactory progress toward substantial compliance with minimum standards is being made, the commissioner must:

(1) modify or lift any conditions limiting operation of the facility or parts of the facility; or

(2) remove the conditional license order.

Subd. 3. **License revocation order.** (a) After due notice to a facility administrator of the commissioner's intent to issue a revocation order, the commissioner may issue an order revoking a facility's license if the commissioner finds that:

(1) the facility does not conform to minimum standards or is not making satisfactory progress toward substantial compliance with minimum standards; and

(2) the nonconformance does not present an imminent risk of life-threatening harm or serious physical injury to the individuals detained or housed in or served by the facility.

(b) The notice of intent to issue a revocation order must include:

(1) the citation to minimum standards that have been violated;

(2) the nature and severity of each violation;

(3) whether the violation is recurring or nonrecurring;

(4) the effect of the violation on individuals detained or housed in or served by the facility;

(5) an evaluation of the risk of harm to individuals detained or housed in or served by the facility; and

(6) relevant facts, conditions, and circumstances related to the facility's operation, including, at a minimum:

(i) specific facility deficiencies that endanger the health or safety of individuals detained or housed in or served by the facility;

(ii) substantiated complaints relating to the facility; or

(iii) any other evidence that the facility is not in compliance with minimum standards.

(c) Within 30 days of receiving a notice under paragraph (b), the facility administrator must submit a written response with:

(1) any information related to errors in the notice and the facility's ability to conform to minimum standards within a set period, including but not limited to a written schedule for compliance and any other information that the facility administrator deems relevant for the commissioner's consideration; and

(2) a written plan:

(i) indicating how the facility will ensure the transfer of individuals detained or housed in or served by the facility and records if the facility closes; and

(ii) specifying arrangements that the facility will make to transfer individuals detained or housed in or served by the facility to another licensed local correctional facility for continuation of detention.

(d) When revoking a license, the commissioner must consider:

(1) the nature, chronicity, or severity of the statute or rule violation; and

(2) the effect of the violation on the health, safety, or rights of individuals detained or housed in or served by the facility.

(e) The commissioner must issue a revocation order if the facility administrator does not respond within 30 days to the notice or if the commissioner does not have assurance that satisfactory progress toward substantial compliance with minimum standards will be made. The revocation order must be sent to the facility administrator and the facility's governing board, clearly stating:

(1) the specific minimum standards violated, noting the implicated rule or statute;

(2) the findings that constitute a violation of minimum standards and the nature, chronicity, or severity of the violations;

(3) the corrective action needed;

(4) any prior correction order or conditional license order issued to correct a violation; and

(5) the date on which the license revocation will occur.

(f) A revocation order may authorize facility use until a certain date, not to exceed the duration of the active license:

(1) unless a limited license is issued by the commissioner to effectuate a facility closure; and

(2) if continued operation does not present an imminent risk of life-threatening harm or is not likely to result in serious physical injury to the individuals detained or housed in or served by the facility.

(g) After a facility's license is revoked, the facility must not be used until the license is reinstated. When the commissioner is assured that satisfactory progress toward substantial compliance with minimum standards is being made, the commissioner may, at the request of the facility administrator supported by a written schedule for compliance, reinstate the license.

Subd. 4. **Reconsideration orders.** (a) If a facility administrator believes that a correction order, conditional license order, or revocation order is in error, the facility administrator may ask the commissioner to reconsider the parts of the order or action that are alleged to be in error. The request for reconsideration must:

(1) be made in writing;

(2) be postmarked and sent to the commissioner within 30 calendar days after receiving the order;

(3) specify the parts of the order or the action that is alleged to be in error;

(4) explain why the order or action is in error; and

(5) include documentation to support the allegation of error.

(b) The commissioner must issue a disposition within 60 days of receiving the facility administrator's response under paragraph (a). A request for reconsideration does not stay any provisions or requirements of the order.

Subd. 5. **Temporary immediate license suspension.** (a) The commissioner must act immediately to temporarily suspend a license issued under sections 241.011 to 241.013 if:

(1) the facility's failure to comply with applicable minimum standards or the conditions in the facility pose an imminent risk of life-threatening harm or serious physical injury to individuals detained or housed in or served by the facility, staff, law enforcement, visitors, or the public and:

(i) if the imminent risk of life-threatening harm or serious physical injury cannot be promptly corrected through a different type of order under this section; and

(ii) the facility cannot or has not corrected the violation giving rise to the imminent risk of life-threatening harm or serious physical injury; or

(2) while the facility continues to operate pending due notice and opportunity for written response to the commissioner's notice of intent to issue a revocation order under subdivision 3, the commissioner identifies one or more subsequent violations of minimum standards that may adversely affect the health or safety of individuals detained or housed in or served by the facility, staff, law enforcement, visitors, or the public.

(b) A notice stating the reasons for the temporary immediate suspension must be delivered by personal service to the facility administrator and the facility's governing board.

(c) A facility administrator and the facility's governing board must discontinue operating the facility upon receiving the commissioner's order to immediately suspend the license.

Subd. 6. **Requesting reconsideration of temporary immediate suspension.** (a) A facility administrator may request reconsideration of an order immediately suspending a license. The request for reconsideration must be made in writing and sent by certified mail or personal service as follows:

(1) if mailed, the request for reconsideration must be postmarked and sent to the commissioner within five business days after the facility administrator receives notice that the license has been immediately suspended; and

(2) if a request is made by personal service, the request must be received by the commissioner within five business days after the facility administrator received the order.

(b) The request for reconsideration must:

(1) specify the parts of the order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

(c) Within five business days of receiving the facility administrator's timely request for reconsideration, the commissioner must review the request. For a review under subdivision 5, paragraph (a), clause (2), the review must be limited solely to whether the temporary immediate suspension order should remain in effect pending the written response to the commissioner's notice of intent to issue a revocation order.

Subd. 7. **Appealing commissioner's reconsideration request.** (a) The commissioner's disposition of a request for reconsideration of a correction, conditional license, temporary immediate suspension, or revocation order is final and subject to appeal. Before a facility administrator may request an appeal under paragraph (b), the facility administrator must request reconsideration according to this section of any correction, conditional license, temporary immediate suspension, or revocation order.

(b) Within 60 days after the postmark date of the mailed notice of the commissioner's decision on a request for reconsideration, the facility administrator may appeal the decision by filing for a writ of certiorari with the court of appeals under section 606.01 and Minnesota Rules of Civil Appellate Procedure, Rule 115.

Subd. 8. **Public notice of restriction, revocation, or suspension.** If a facility's license is revoked or suspended under this section, a facility's use is restricted for any reason under a conditional license order, or a correction order is issued to a facility, the commissioner must publicly post the following information on the department's website:

(1) the facility name;

(2) the status of the facility's license;

(3) the reason for the correction order, restriction, revocation, or suspension; and

(4) any subsequent findings by the commissioner identifying satisfactory progress toward substantial compliance with minimum standards.

Sec. 18. **[241.013] LICENSING AND INSPECTING LOCAL JUVENILE CORRECTIONAL FACILITIES.**

Subdivision 1. **Scope.** This section applies to local juvenile correctional facilities under section 241.011, subdivision 2, paragraph (g), licensed by the commissioner of corrections to detain or serve juveniles, including those providing residential or foster care facility placements under chapter 260C.

Subd. 2. **Facilities for children and youth; inspection and licensing.** (a) Notwithstanding any provisions in sections 245A.03; 245A.04; and 256.01, subdivision 2, paragraph (a), clause (2); and chapter 245C to the contrary, the commissioner must inspect all local juvenile correctional facilities under section 241.011, subdivision 3, except as provided under paragraph (c).

(b) The commissioner must grant a license for up to two years to a county, municipality, or facility:

(1) according to section 241.011, subdivision 5; and

(2) if the commissioner is satisfied that the interests and well-being of children and youth are protected.

(c) For local juvenile correctional facilities licensed by the commissioner of human services, the commissioner of corrections may inspect and certify programs based on certification standards under Minnesota Rules. For purposes of this paragraph, "certification" has the meaning given in section 245A.02.

Subd. 3. **Commissioner consultation.** Local juvenile correctional facilities must consult with the commissioner as needed to strengthen services to children and youth.

Subd. 4. **Affected municipality; notice.** (a) The commissioner must not grant a license to a local juvenile correctional facility without giving 30 calendar days' written notice to any affected municipality or other political subdivision unless the facility:

(1) has a licensed capacity of six or fewer individuals; and

(2) is occupied by either the licensee or a group foster home parent.

(b) The notification must be given before the license is first granted and annually thereafter if annual notification is requested in writing by the affected municipality or other political subdivision.

(c) State funds must not be made available to or be spent by an agency or department of state, county, or municipal government for payment to a foster care facility licensed under this section until the requirements under this subdivision have been met.

Subd. 5. **Licensing with juveniles from outside state.** The commissioner must not issue or renew a license to a facility under this section to operate a local juvenile correctional facility if:

(1) the facility accepts juveniles who reside outside Minnesota; and

(2) there is no agreement with the entity placing the juvenile at the facility that obligates the entity to pay the juvenile's educational expenses.

Subd. 6. **Licensing actions.** The licensing actions under section 241.012 apply to a facility licensed under this section.

Subd. 7. **Education for juveniles.** Notwithstanding subdivision 1, the education program offered in a state or local correctional facility for the placement, confinement, or incarceration of juveniles must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

Subd. 8. **Rulemaking.** (a) The commissioner must adopt rules for local juvenile correctional facilities according to Laws 1995, chapter 226, article 3, sections 50, 51, and 60, as amended.

(b) The time limit to adopt rules under section 14.125 does not apply to amendments to Minnesota Rules, chapter 2960, in effect on the effective date of this section.

Sec. 19. **[241.014] SECURITY AUDITS FOR STATE CORRECTIONAL FACILITIES.**

Subdivision 1. **Purpose.** This section applies to state correctional facilities.

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

(b) "Audit group" means the state correctional facilities security audit group under subdivision 5.

(c) "Corrections and detention confidential data" has the meaning given in section 13.85, subdivision 3.

(d) "Security information" has the meaning given in section 13.37, subdivision 1.

Subd. 3. **Biennial report and audit of security practices.** The department's inspection unit must conduct biennial security audits of each state correctional facility using the standards established by the audit group. The inspection unit must:

(1) prepare a report for each audit; and

(2) submit the report to the audit group within 30 days of completing the audit.

Subd. 4. **Data.** (a) Corrections and detention confidential data and security information contained in reports and records of the audit group:

(1) must maintain that classification, regardless of the data's classification in the hands of the person who provided the data; and

(2) are not subject to discovery or introduction into evidence in a civil or criminal action against the state arising out of any matter that the audit group is reviewing.

(b) Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were acquired during an audit.

(c) Nothing in this subdivision limits a person who presented information to the audit group or who is an audit group member from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person must not be questioned about the person's good faith presentation of information to the audit group or opinions formed by the person as a result of an audit.

Subd. 5. **State correctional facilities security audit group.** (a) The commissioner must form a state correctional facilities security audit group. The audit group must consist of the following members:

(1) a department 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, appointed by the commissioner;

(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;

(7) two senators, one appointed by the senate majority leader and one appointed by the senate minority leader; and

(8) two representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives.

(b) The ombudsperson chairs the audit group. The audit group must establish security audit standards for state correctional facilities. In developing the standards, the audit group, or individual members of the audit group, may gather information from state correctional facilities and state correctional staff and inmates. The audit group must:

(1) periodically review and modify the standards as needed; and

(2) 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 when the standards are modified.

(c) The audit group must meet twice annually to review facility audit reports submitted to the audit group by the department's inspection unit. Notwithstanding any law to the contrary, the audit group may review the full audit reports, including but not limited to corrections and detention confidential data and security information.

(d) Within 60 days of meeting to review an audit report from the department's inspection unit, the audit group must make recommendations to the commissioner. Within 45 days of receiving the audit group's recommendations, the commissioner must respond in writing to the audit group's findings and recommendations. The commissioner's response must explain:

(1) whether the commissioner will implement the audit group's recommendations;

(2) the timeline for implementing the recommendations; and

(3) if the commissioner will not implement the recommendations, why the commissioner will not or cannot implement the recommendations.

(e) The commissioner must include a written aggregate of the audit 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 under section 241.016, subdivision 1. The commissioner must not include corrections and detention confidential data and security information in the commissioner's report.

(f) The commissioner must provide staffing and administrative support to the audit group.

Subd. 6. **Compensation.** Except as otherwise provided in this subdivision, the terms, compensation, and removal of audit group members are governed by section 15.059. Audit group members serve without compensation but may receive expense reimbursement.

Subd. 7. **Expiration.** Notwithstanding section 15.059, subdivision 6, the audit group does not expire.

Subd. 8. **Open meeting law.** The audit group is not subject to chapter 13D.

Sec. 20. Minnesota Statutes 2025 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~~ jails and lockups under chapters 641 and 642, 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, including a process for determining on intake whether a Jarvis Order is in place and ensuring it will be followed during the confinement or incarceration;

(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)~~ (b) 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)~~ (c) 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)~~ (d) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 21. Minnesota Statutes 2024, section 241.021, subdivision 1f, is amended to read:

Subd. 1f. **Report.** By February 15, 2022, and by February 15 each year thereafter, the commissioner of corrections shall report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over public safety and judiciary on the status of the implementation of the provisions in ~~this section~~ sections 241.011 to 241.021 over the prior year, particularly the health and safety of individuals confined or incarcerated in ~~a~~ local adult correctional facilities under this section, local correctional facilities under section 241.011, and state correctional ~~facility and a facility licensed by the commissioner~~ facilities. This report shall include but not be limited to data regarding:

(1) the number of confined or incarcerated persons 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, including aggregated demographic information and the correctional facilities' most recent inspection reports and any corrective orders or conditional licenses ~~issued~~, revocations, or temporary immediate suspensions;

(2) the aggregated results of the death reviews by facility as required by subdivision 8 or section 241.011, subdivision 8, including any implemented policy changes;

(3) the number of uses of force by facility staff on persons confined or incarcerated in the correctional facility, including but not limited to whether those uses of force were determined to be justified by the facility, for which 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 develop criteria for reporting and define reportable uses of force;

(4) the number of suicide attempts, number of people transported to a medical facility, and number of people placed in segregation;

(5) the number of persons committed to the commissioner of corrections' custody that the commissioner is housing in facilities licensed under subdivision 1 and section 241.011, including but not limited to:

(i) aggregated demographic data of those individuals;

(ii) length of time spent housed in a licensed correctional facility; and

(iii) any contracts the Department of Corrections has with correctional facilities to provide housing; and

(6) summary data from state correctional facilities regarding complaints involving alleged on-duty staff misconduct, including but not limited to the:

(i) total number of misconduct complaints and investigations;

(ii) total number of complaints by each category of misconduct, as defined by the commissioner of corrections;

(iii) number of allegations dismissed as unfounded;

(iv) number of allegations dismissed on grounds that the allegation was unsubstantiated; and

(v) number of allegations substantiated, any resulting disciplinary action, and the nature of the discipline.

Sec. 22. Minnesota Statutes 2024, section 241.021, subdivision 1i, is amended to read:

Subd. 1i. **Definition.** As used in this section, "correctional facility" means any ~~facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed in facilities by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated guilty or delinquent~~ jail or lockup under chapter 641 or 642.

Sec. 23. Minnesota Statutes 2024, section 241.021, subdivision 4a, is amended to read:

Subd. 4a. **Substance use disorder treatment programs.** All ~~residential~~ substance use disorder treatment programs operated by the commissioner of corrections to treat ~~adults~~ individuals committed to the commissioner's custody ~~shall~~ or to treat juveniles in state-operated juvenile correctional facilities that have a correctional program services certification per Minnesota Rules, chapter 2960, must comply with the standards mandated in chapter 245G for treatment programs operated by community-based treatment facilities. When the commissioners of corrections and human services agree that these established standards for community-based programs cannot reasonably apply to correctional facilities, alternative equivalent standards shall be developed by the commissioners and established through an interagency agreement.

Sec. 24. Minnesota Statutes 2024, section 241.69, subdivision 1, is amended to read:

Subdivision 1. **Authority; rules.** The commissioner of corrections shall, in accordance with applicable rules and standards prescribed by the Department of Human Services, establish, staff, equip, maintain, and operate in at least one of the adult correctional institutions under the commissioner's control a mental health unit for the care and treatment of those inmates of state correctional institutions who become mentally ill.

Sec. 25. Minnesota Statutes 2024, section 241.69, subdivision 3, is amended to read:

Subd. 3. **Transfer.** If the licensed mental health professional finds the person to be a person who is mentally ill and in need of short-term care, assessment, evaluation, or stabilization, the licensed mental health professional may recommend transfer by the commissioner of corrections to ~~the~~ a mental health unit established pursuant to subdivision 1.

Sec. 26. Minnesota Statutes 2024, section 241.69, subdivision 4, is amended to read:

Subd. 4. **Commitment.** If the licensed mental health professional finds the person to be a person who is mentally ill and in need of long-term care in a hospital, ~~or if an inmate transferred pursuant to subdivision 3 refuses to voluntarily participate in the treatment program at the mental health unit,~~ the director of psychological services of the institution or the mental health professional shall initiate proceedings for judicial commitment as provided in section 253B.07. Upon the recommendation of the licensed mental health professional and upon completion of the hearing and consideration of the record, the court may commit the person to ~~the~~ a mental health unit established in subdivision 1 or to another hospital. A person confined in a state correctional institution for adults who has been adjudicated to be a person who is mentally ill and in need of treatment may be committed to the commissioner of corrections and placed in ~~the~~ a mental health unit established in subdivision 1.

Sec. 27. Minnesota Statutes 2024, section 241.69, subdivision 5, is amended to read:

Subd. 5. **Discharge.** The director of psychological services of ~~the~~ a mental health unit established under this section may, subject to the provisions of chapter 253B, provisionally discharge any inmate patient admitted as a person who is mentally ill without discharging the commitment and order the inmate patient's release into the general population of the institution from which admitted, subject to return to the facility for further treatment.

When the director of psychological services of the facility certifies that a patient is no longer in need of institutional care for mental illness the director of psychological services shall discharge the patient to the institution from which committed, and the discharge shall also discharge the mental illness commitment.

A copy of the certification that the inmate is no longer in need of care for mental illness shall be transmitted to the commissioner of corrections. The commissioner of corrections shall give serious consideration to the aforementioned certification for purposes of their supervision over the inmate upon the inmate's release.

Sec. 28. Minnesota Statutes 2024, section 241.69, subdivision 6, is amended to read:

Subd. 6. **Transfer upon expiration of sentence.** If the sentence of a person who has been adjudicated to be mentally ill and committed to ~~the~~ a mental health unit established under this section should expire before the person recovers and is discharged therefrom, and, in the judgment of the director of psychological services of the unit, the person requires further hospitalization for mental illness, the person shall be transferred by the commissioner of corrections to a state hospital designated by the Direct Care and Treatment executive board, there to be detained as in the case of other mentally ill persons under judicial commitment.

Sec. 29. Minnesota Statutes 2025 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 and supervision abatement status, including the circumstances under which an individual may receive earned compliance credits and transition to supervision abatement status. The policy must include consideration of an individual's effort to pay restitution, to the extent known to the supervising agency, and must provide that an individual who has the ability to pay restitution but engages in willful nonpayment is not eligible to transition to supervision abatement status.

(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 or, if applicable, the aggregate length of the supervised release term and conditional release term, the individual is eligible for supervision abatement status. However, the commissioner must not place the individual on supervision abatement status for the remainder of the supervised or conditional release term if the commissioner determines that doing so would present a risk to public safety, after weighing factors including the individual's stability, behavior, or overall adjustment while on supervision. For individuals with lifetime terms of conditional release, the commissioner shall not place the individual on supervision abatement status unless the time served on active supervision plus earned compliance credits equals at least ten years.

EFFECTIVE DATE. This section is effective September 1, 2026.

Sec. 30. Minnesota Statutes 2024, section 256D.02, subdivision 12a, is amended to read:

Subd. 12a. **Resident.** (a) For purposes of eligibility for general assistance, a person must be a resident of this state.

(b) A "resident" is a person living in the state for at least 30 days with the intention of making the person's home here and not for any temporary purpose. Time spent in a shelter for ~~battered women~~ domestic abuse victims shall count toward satisfying the 30-day residency requirement. All applicants for these programs are required to demonstrate the requisite intent and can do so in any of the following ways:

(1) by showing that the applicant maintains a residence at a verified address, other than a place of public accommodation. An applicant may verify a residence address by presenting a valid state driver's license, a state identification card, a voter registration card, a rent receipt, a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address, or other form of verification approved by the commissioner; or

(2) by verifying residence according to Minnesota Rules, part 9500.1219, subpart 3, item C.

(c) For general assistance, a county shall waive the 30-day residency requirement where unusual hardship would result from denial of general assistance. For purposes of this subdivision, "unusual hardship" means the applicant is without shelter or is without available resources for food.

The county agency must report to the commissioner within 30 days on any waiver granted under this section. The county shall not deny an application solely because the applicant does not meet at least one of the criteria in this subdivision, but shall continue to process the application and leave the application pending until the residency requirement is met or until eligibility or ineligibility is established.

(d) For purposes of paragraph (c), the following definitions apply (1) "metropolitan statistical area" is as defined by the United States Census Bureau; (2) "shelter" includes any shelter that is located within the metropolitan statistical area containing the county and for which the applicant is eligible, provided the applicant does not have to travel more than 20 miles to reach the shelter and has access to transportation to the shelter. Clause (2) does not apply to counties in the Minneapolis-St. Paul metropolitan statistical area.

(e) Migrant workers as defined in section 142G.02 are exempt from the residency requirements of this section, provided the migrant worker provides verification that the migrant family worked in this state within the last 12 months and earned at least $1,000 in gross wages during the time the migrant worker worked in this state.

(f) For purposes of eligibility for emergency general assistance, the 30-day residency requirement under this section shall not be waived.

(g) If any provision of this subdivision is enjoined from implementation or found unconstitutional by any court of competent jurisdiction, the remaining provisions shall remain valid and shall be given full effect.

Sec. 31. Minnesota Statutes 2024, section 256G.02, subdivision 6, is amended to read:

Subd. 6. **Excluded time.** "Excluded time" means:

(1) any period an applicant spends in a hospital, sanitarium, nursing home, shelter other than an emergency shelter, halfway house, foster home, community residential setting licensed under chapter 245D, semi-independent living domicile or services program, residential facility offering care, board and lodging facility or other institution for the hospitalization or care of human beings, as defined in section 144.50, 144A.01, or 245A.02, subdivision 14; maternity home, ~~battered women's~~ shelter for domestic abuse victims, or correctional facility; or any facility based on an emergency hold under section 253B.05, subdivisions 1 and 2;

(2) any period an applicant spends on a placement basis in a training and habilitation program, including: a rehabilitation facility or work or employment program as defined in section 268A.01; semi-independent living services provided under section 252.275, and chapter 245D; or day training and habilitation programs;

(3) any period an applicant is receiving assisted living services, integrated community supports, or day support services; and

(4) any placement for a person with an indeterminate commitment, including independent living.

Sec. 32. Minnesota Statutes 2025 Supplement, section 256G.03, subdivision 2, is amended to read:

Subd. 2. **No durational test.** Except as otherwise provided in sections 142G.12; 142G.78; 256B.056, subdivision 1; and 256D.02, subdivision 12a, for purposes of this chapter, no waiting period is required before securing county or state residence. A person cannot, however, gain residence while physically present in an excluded time facility unless otherwise specified in this chapter or in a federal regulation controlling a federally funded human service; children, youth, and families; or direct care and treatment program. Interstate migrants who enter a shelter for ~~battered women~~ domestic abuse victims directly from another state can gain residency while in the facility provided the person can provide documentation that the person is a victim of domestic abuse and the county determines that the placement is appropriate.

Sec. 33. Minnesota Statutes 2024, section 257.75, subdivision 6, is amended to read:

Subd. 6. **Paternity educational materials.** The commissioner of children, youth, and families shall prepare educational materials for new and prospective parents that describe the benefits and effects of establishing paternity. The materials must include a description and comparison of the procedures for establishment of paternity through a recognition of parentage under this section and an adjudication of paternity under sections 257.51 to 257.74. The commissioner shall consider the use of innovative audio or visual approaches to the presentation of the materials to facilitate understanding and presentation. In preparing the materials, the commissioner shall consult with child advocates and support workers, ~~battered women's advocates and~~ advocates for domestic abuse victims, social service providers, educators, attorneys, hospital representatives, and people who work with parents in making decisions related to paternity. The commissioner shall consult with representatives of communities of color. On and after January 1, 1994, the commissioner shall make the materials available without cost to hospitals, requesting agencies, and other persons for distribution to new parents.

Sec. 34. Minnesota Statutes 2024, section 260E.02, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary child protection team that may include but is not limited to the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health, representatives of agencies providing specialized services or responding to youth who experience or are at risk of experiencing sex or labor trafficking or sexual exploitation, or other appropriate human services, children's services, or community-based agencies, and parent groups. As used in this section, a "community-based agency" may include, but is not limited to, schools, social services agencies, family service and mental health collaboratives, children's advocacy centers, early childhood and family education programs, Head Start, or other agencies serving children and families. A member of the team must be designated as the lead person of the team responsible for the planning process to develop standards for the team's activities with ~~battered women's and~~ domestic abuse programs and services.

Sec. 35. Minnesota Statutes 2024, section 299A.85, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The office has the following duties:

(1) advocate in the legislature for legislation that will facilitate the accomplishment of the mandates identified in the Missing and Murdered Indigenous Women Task Force report;

(2) advocate for state agencies to take actions to facilitate the accomplishment of the mandates identified in the Missing and Murdered Indigenous Women Task Force report;

(3) develop recommendations for legislative and agency actions to address injustice in the criminal justice system's response to the cases of missing and murdered Indigenous relatives;

(4) facilitate research to refine the mandates in the Missing and Murdered Indigenous Women Task Force report and to assess the potential efficacy, feasibility, and impact of the recommendations;

(5) develop tools and processes to evaluate the implementation and impact of the efforts of the office;

(6) track and collect Minnesota data on missing and murdered indigenous women, children, and relatives, and provide statistics upon public or legislative inquiry;

(7) facilitate technical assistance for local and Tribal law enforcement agencies during active missing and murdered Indigenous relatives cases;

(8) conduct case reviews and report on the results of case reviews for the following types of missing and murdered Indigenous relatives cases: cold cases for missing Indigenous people and death investigation review for cases of Indigenous people ruled as suicide or overdose under suspicious circumstances;

(9) conduct case reviews of the prosecution and sentencing for cases where a perpetrator committed a violent or exploitative crime against an Indigenous person. These case reviews should identify those cases where the perpetrator is a repeat offender;

(10) prepare draft legislation as necessary to allow the office access to the data required for the office to conduct the reviews required in this section and advocate for passage of that legislation;

(11) review sentencing guidelines for missing and murdered Indigenous women-related crimes, recommend changes if needed, and advocate for consistent implementation of the guidelines across Minnesota courts;

(12) develop and maintain communication with relevant divisions in the Department of Public Safety regarding any cases involving missing and murdered Indigenous relatives and on procedures for investigating cases involving missing and murdered Indigenous relatives; ~~and~~

(13) coordinate, as relevant, with the Bureau of Indian Affairs' Cold Case Office through Operation Lady Justice and other federal efforts, as well as efforts in neighboring states and Canada. This recommendation pertains to state efforts. Tribes are sovereign nations that have the right to determine if and how they will coordinate with these other efforts~~.~~; and

(14) provide case support to victims and families of missing or murdered Indigenous relatives or their designated family representative or the reporting person. Case support includes but is not limited to providing support and guidance during the law enforcement investigation; facilitating communication with criminal justice agencies and other government entities; compiling relevant information about ongoing cases; and providing information, referrals, and other types of support.

(b) As used in this subdivision:

(1) "reporting person" means the relative or nonrelative person who completed a case intake form with the office; and

(2) "victim" has the meaning given in section 611A.01.

(c) Data created, collected, received, stored, used, or maintained by the office related to paragraph (a), clause (14), are private data on individuals as defined in section 13.02, subdivision 12.

Sec. 36. Minnesota Statutes 2024, section 299A.90, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The office has the following duties:

(1) advocate in the legislature for legislation that will facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(2) advocate for state agencies to take actions to facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(3) develop recommendations for legislative and agency actions to address injustice in the criminal justice system's response to cases of missing and murdered Black women and girls;

(4) facilitate research to refine the mandates in the report of the Task Force on Missing and Murdered African American Women and to assess the potential efficacy, feasibility, and impact of the recommendations;

(5) collect data on missing person and homicide cases involving Black women and girls, including the total number of cases, the rate at which the cases are solved, the length of time the cases remain open, and a comparison to similar cases involving different demographic groups;

(6) collect data on Amber Alerts, including the total number of Amber Alerts issued, the total number of Amber Alerts that involve Black girls, and the outcome of cases involving Amber Alerts disaggregated by the child's race and sex;

(7) collect data on reports of missing Black girls, including the number classified as voluntary runaways, and a comparison to similar cases involving different demographic groups;

(8) analyze and assess the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(9) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(10) analyze and assess the intersection between cases involving murdered Black women and girls and domestic violence, including prior instances of domestic violence within the family or relationship, whether an offender had prior convictions for domestic assault or related offenses, and whether the offender used a firearm in the murder or any prior instances of domestic assault;

(11) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving murdered Black women and girls and domestic violence;

(12) develop tools and processes to evaluate the implementation and impact of the efforts of the office;

(13) track and collect Minnesota data on missing and murdered Black women and girls, and provide statistics upon public or legislative inquiry;

(14) facilitate technical assistance for local and Tribal law enforcement agencies during active cases involving missing and murdered Black women and girls;

(15) conduct case reviews and report on the results of case reviews for the following types of cases involving missing and murdered Black women and girls: cold cases for missing Black women and girls and death investigation review for cases of Black women and girls ruled as suicide or overdose under suspicious circumstances;

(16) conduct case reviews of the prosecution and sentencing for cases where a perpetrator committed a violent or exploitative crime against a Black woman or girl. These case reviews must identify those cases where the perpetrator is a repeat offender;

(17) prepare draft legislation as necessary to allow the office access to the data necessary for the office to conduct the reviews required in this section and advocate for passage of that legislation;

(18) review sentencing guidelines for crimes related to missing and murdered Black women and girls, recommend changes if needed, and advocate for consistent implementation of the guidelines across Minnesota courts;

(19) develop and maintain communication with relevant divisions in the Department of Public Safety, including but not limited to the Bureau of Criminal Apprehension, regarding any cases involving missing and murdered Black women and girls and on procedures for investigating cases involving missing and murdered Black women and girls;

(20) consult with the Council for Minnesotans of African Heritage established in section 15.0145; ~~and~~

(21) coordinate, as relevant, with federal efforts, and efforts in neighboring states and Canada~~.~~; and

(22) provide case support to victims and families of missing or murdered Black women and girls or their designated family representative or the reporting person. Case support includes but is not limited to providing support and guidance during the law enforcement investigation; facilitating communication with criminal justice agencies and other government entities; compiling relevant information about ongoing cases; and providing information, referrals, and other types of support.

(b) As used in this subdivision:

(1) "labor trafficking" has the meaning given in section 609.281, subdivision 5; ~~and~~

(2) "reporting person" means the relative or nonrelative person who completed a case intake form with the office;

~~(2)~~ (3) "sex trafficking" has the meaning given in section 609.321, subdivision 7a~~.~~; and

(4) "victim" has the meaning given in section 611A.01.

(c) Data created, collected, received, stored, used, or maintained by the office related to paragraph (a), clause (22), are private data on individuals as defined in section 13.02, subdivision 12.

Sec. 37. Minnesota Statutes 2024, section 299C.05, is amended to read:

299C.05 CRIME DATA COLLECTION.

It shall be the duty of this division to collect, and preserve as a record of the bureau, information concerning the number and nature of offenses known to have been committed in the state, of the legal steps taken in connection therewith from the inception of the complaint to the final discharge of the defendant, and such other information as may be useful in the study of crime and the administration of justice. The information shall be provided in a form prescribed by the superintendent. The information so collected and preserved shall include such data as may be requested by the United States Department of Justice, at Washington, under its national system of crime reporting. To the extent possible, the superintendent must utilize a nationally recognized system or standard approved by the Federal Bureau of Investigation to collect and preserve crime data.

Sec. 38. Minnesota Statutes 2024, section 299C.065, subdivision 1, is amended to read:

Subdivision 1. **~~Grants~~ Reimbursements.** The commissioner of public safety shall make ~~grants~~ reimbursements to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322 or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution;

(5) for partial reimbursement of local costs associated with unanticipated, intensive, long-term, multijurisdictional criminal investigations that exhaust available local resources, except that the commissioner may not reimburse the costs of a local investigation involving a child who is reported to be missing and endangered unless the law enforcement agency complies with section 299C.53 and the agency's own investigative policy; and

(6) for partial reimbursement of local costs associated with criminal investigations into the activities of violent criminal gangs and gang members.

Sec. 39. Minnesota Statutes 2024, section 299C.065, subdivision 1a, is amended to read:

Subd. 1a. **Witness and victim protection fund.** (a) A witness and victim protection fund is created under the administration of the commissioner of public safety. The commissioner may make ~~grants~~ reimbursements to local officials to provide for the relocation or other protection of a victim, witness, or potential witness who is involved in a criminal prosecution and who the commissioner has reason to believe is or is likely to be the target of a violent crime or a violation of section 609.498 or 609.713, in connection with that prosecution. The awarding of ~~grants~~ reimbursements under this subdivision is not limited to the crimes and investigations described in subdivision 1.

(b) The commissioner may award ~~grants~~ reimbursements for any of the following actions in connection with the protection of a witness or victim under this subdivision:

(1) to provide suitable documents to enable the person to establish a new identity or otherwise protect the person;

(2) to provide housing for the person;

(3) to provide for the transportation of household furniture and other personal property to the person's new residence;

(4) to provide the person with a payment to meet basic living expenses for a time period the commissioner deems necessary;

(5) to assist the person in obtaining employment; and

(6) to provide other services necessary to assist the person in becoming self-sustaining.

Sec. 40. Minnesota Statutes 2024, section 299C.065, subdivision 2, is amended to read:

Subd. 2. **Application for ~~grant~~ reimbursement.** A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a ~~grant~~ reimbursement for any of the purposes described in subdivision 1 or 1a, on forms and pursuant to procedures developed by the superintendent. For ~~grants~~ reimbursements under subdivision 1, the application shall describe the type of intended criminal investigation, an estimate of the amount of money required, and any other information the superintendent deems necessary.

Sec. 41. Minnesota Statutes 2024, section 299C.065, subdivision 3, is amended to read:

Subd. 3. **Investigation report.** A report shall be made to the commissioner at the conclusion of an investigation for which a ~~grant~~ reimbursement was made under subdivision 1 stating (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money," of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each even-numbered year a report of investigations receiving ~~grants~~ reimbursements under subdivision 1.

Sec. 42. Minnesota Statutes 2024, section 299C.065, subdivision 3a, is amended to read:

Subd. 3a. **Accounting report.** The head of a law enforcement agency that receives a ~~grant~~ reimbursement under subdivision 1a shall file a report with the commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare and submit to the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each even-numbered year a summary report of witness assistance services provided under this section.

Sec. 43. Minnesota Statutes 2024, section 299C.46, subdivision 6, is amended to read:

Subd. 6. **Orders for protection; no contact orders; harassment restraining orders.** (a) As used in this subdivision, "no contact orders" include orders issued as pretrial orders under section 629.72, subdivision 2, orders under section 629.75, and orders issued as probationary or sentencing orders at the time of disposition in a criminal domestic abuse case.

(b) The data communications network must include orders for protection issued under section 518B.01 or 609.2334, harassment restraining orders, and no contact orders issued against adults and juveniles. A no contact order must be accompanied by a photograph of the offender for the purpose of enforcement of the order, if a photograph is available and verified by the court to be an image of the defendant.

(c) Data from orders for protection, harassment restraining orders, or no contact orders and data entered by law enforcement to assist in the enforcement of those orders are classified as private data on individuals as defined in section 13.02, subdivision 12. Data about the offender can be shared with the victim for purposes of enforcement of the order.

Sec. 44. Minnesota Statutes 2025 Supplement, section 299C.80, subdivision 6, is amended to read:

Subd. 6. **Reporting.** (a) As provided for in chapter 13, the superintendent must make all inactive investigative data for officer-involved death investigations that are public under section 13.82, subdivision 7, or other applicable law available on the bureau's website within 30 days of the case becoming inactive as defined in section 13.82, subdivision 7, except any video that does not record, describe, or otherwise document actions and circumstances surrounding the officer-involved death.

(b) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit: the number of investigations initiated; the number of incidents that began with a law enforcement response to a situation involving suspected or alleged domestic abuse, as defined in section 626.5537, subdivision 1; the number of incidents investigated; the outcomes or current status of each investigation; the charging decisions made by the prosecuting authority of incidents investigated by the unit; the number of plea agreements reached in incidents investigated by the unit; and any other information relevant to the unit's mission.

(c) Nothing in this subdivision modifies the requirements of chapter 13 or the classification of data.

Sec. 45. Minnesota Statutes 2024, section 326.32, subdivision 8, is amended to read:

Subd. 8. **Applicant.** "Applicant" means any individual~~, partnership~~ or corporation who has made application for a private detective or protective agent license.

Sec. 46. Minnesota Statutes 2024, section 326.32, subdivision 10, is amended to read:

Subd. 10. **License holder.** "License holder" means any individual~~, partnership as defined in section 323A.0101, clause (8),~~ or corporation licensed to perform the duties of a private detective or a protective agent.

Sec. 47. Minnesota Statutes 2024, section 326.32, subdivision 10a, is amended to read:

Subd. 10a. **Minnesota manager.** "Minnesota manager" means the member of a ~~partnership or~~ corporation~~,~~ who meets the qualifications for licensing as provided in sections 326.32 to 326.339. The Minnesota manager must be actively involved in the day to day management and supervision of the licensed activity in the Minnesota office.

Sec. 48. Minnesota Statutes 2024, section 326.32, subdivision 10c, is amended to read:

Subd. 10c. **Proprietary employer.** A "proprietary employer" means an individual~~, partnership,~~ or a corporation that is not engaged in the business of providing protective agents but employs individuals to serve as security guards solely on the employer's property and its curtilage.

Sec. 49. Minnesota Statutes 2024, section 326.32, subdivision 12, is amended to read:

Subd. 12. **Qualified representative.** "Qualified representative" means the member of a ~~partnership or~~ corporation~~,~~ who meets the qualifications for licensing as provided in sections 326.32 to 326.339. The qualified representative must be actively involved in the day to day management and supervision of the licensed activity.

Sec. 50. Minnesota Statutes 2024, section 326.33, subdivision 1, is amended to read:

Subdivision 1. **Members.** There is hereby created a Board of Private Detective and Protective Agent Services, consisting of the superintendent of the Bureau of Criminal Apprehension or an assistant superintendent designated by the superintendent, and the following members appointed by the commissioner of public safety: a licensed protective agent, or qualified representative for a licensed protective agent ~~partnership or~~ corporation~~,~~; a licensed private detective, or qualified representative for a licensed private detective ~~partnership or~~ corporation~~,~~; and two public members. Filling of member vacancies shall be the responsibility of the commissioner of public safety. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, unless otherwise provided in sections 326.32 to 326.339; administrative services and office space; the review and processing of complaints; the setting of board fees, unless otherwise provided in sections 326.32 to 326.339; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 51. Minnesota Statutes 2024, section 326.3381, subdivision 2, is amended to read:

Subd. 2. **Application procedure.** The board shall issue a license upon application to any person qualified under sections 326.32 to 326.339 and under the rules of the board to engage in the business of private detective or protective agent. The license shall remain effective for two years as long as the license holder complies with sections 326.32 to 326.339, the laws of Minnesota, and the rules of the board. Upon receipt of an application for private detective or protective agent license, the board shall:

(1) post notice of the application in its office for a period of 20 days, and notify all persons who have requested notification of applications;

(2) conduct an investigation as it considers necessary to determine the qualifications of the applicant, qualified representative, Minnesota manager, and, if appropriate, a ~~partner or~~ corporate officer; and

(3) notify the applicant of the date on which the board will conduct a review of the license application.

Sec. 52. Minnesota Statutes 2024, section 326.3381, subdivision 4, is amended to read:

Subd. 4. **Business entity applicant.** If the applicant for a license is a corporation ~~or partnership, one member~~, the chief executive officer, the chief financial officer, the qualified representative, and the Minnesota manager, if one exists, of that corporation ~~or partnership~~ must meet the licensing requirements in sections 326.32 to 326.339, including the requirements of subdivision 3, paragraph (b).

Sec. 53. Minnesota Statutes 2024, section 326.3382, subdivision 1, is amended to read:

Subdivision 1. **Application form.** (a) Application for a private detective or protective agent license shall be made on a form prescribed by the board. Each applicant shall provide the following information:

(1) the full name, date of birth, and sex of each person signing the application, and the residences of those persons for the past five years;

(2) all past and present occupations and employers, length of employment, and the name, address, and telephone numbers of supervisors for all persons signing the application;

(3) the address or a description indicating the location of the place of business of the applicant;

(4) a statement indicating that each person signing the application has attained the age of 18;

(5) if the applicant is a corporation, the name of the corporation, the date and place of incorporation, and the location of its principal place of business or registered office in its state of incorporation; and

(6) further facts as may be required by the board to show the good character, competency, and integrity of each person signing the application~~; and~~.

(b) Each application shall be signed and acknowledged as follows:

(1) if the applicant is an individual, by the individual; or

~~(2) if the applicant is a partnership, by each partner, one of whom must be a qualified representative; or~~

~~(3)~~ (2) if the applicant is a corporation, by the chief executive officer, chief financial officer, and the qualified representative of the corporation. If the principal place of the applicant's business is outside Minnesota, the application shall also include the signature of the Minnesota manager.

Sec. 54. Minnesota Statutes 2024, section 326.3382, subdivision 4, is amended to read:

Subd. 4. **License disqualification.** Unlicensed activity will not be considered as legitimate experience for qualification in being licensed. An individual, ~~partnership,~~ a corporation, a qualified representative, or a Minnesota manager engaged in the business of a private detective or protective agent without a license issued by the board is prohibited from applying for licensing for a period of one year from the date of a finding of the violation.

Sec. 55. Minnesota Statutes 2024, section 326.3385, subdivision 2, is amended to read:

Subd. 2. **Notice of successor.** (a) A corporate ~~or partnership~~ license holder shall, within seven days of the death, resignation, or removal of a person signing the license application, give written notice to the board of the change and the name and address of the successor in the vacated position.

(b) Within seven days of the death, resignation, or removal of a person signing the license application for a ~~partnership or~~ corporate license holder, the successor qualified representative, ~~partner,~~ Minnesota manager, chief executive officer, or chief financial officer who shall qualify under the same procedure and criteria~~, and~~ must submit the documents required, as for an original application.

Sec. 56. Minnesota Statutes 2024, section 326.3386, subdivision 3, is amended to read:

Subd. 3. **Designation fee.** When a licensed private detective or protective agent who is a ~~partnership or~~ corporation~~,~~ desires to designate a new qualified representative or Minnesota manager, a fee equal to one-half of the license fee shall be submitted to the board.

Sec. 57. Minnesota Statutes 2024, section 364.03, subdivision 3, is amended to read:

Subd. 3. **Evidence of rehabilitation.** (a) A person who has been convicted of a crime or crimes which directly relate to the public employment sought or to the occupation for which a license is sought ~~shall not~~ may be disqualified from the employment or occupation ~~if~~ unless the person can show both:

(1) competent evidence of sufficient rehabilitation; and

(2) present fitness to perform the duties of the public employment sought or the occupation for which the license is sought.

(b) In determining whether the person has demonstrated both competent evidence of sufficient rehabilitation and present fitness to perform the relevant duties, the hiring or licensing authority may ~~be established by the production of~~ consider:

(1) the person's most recent certified copy of a United States Department of Defense form DD-214 showing the person's honorable discharge, or separation under honorable conditions, from the United States armed forces for military service rendered following conviction for any crime that would otherwise disqualify the person from the public employment sought or the occupation for which the license is sought~~, or:~~;

~~(1)~~ (2) a copy of the local, state, or federal release order~~;~~, and

~~(2)~~ evidence showing that at least one year has elapsed since release from any local, state, or federal correctional institution without subsequent conviction of a crime~~;~~, and evidence showing compliance with all terms and conditions of probation or parole; ~~or~~

(3) a copy of the relevant Department of Corrections discharge order or other documents showing completion of probation or parole supervision~~.~~;

~~(b) In addition to the documentary evidence presented, the licensing or hiring authority shall consider any evidence presented by the applicant regarding:~~

~~(1)~~ (4) evidence regarding the nature and seriousness of the crime or crimes for which the person was convicted;

~~(2)~~ (5) all circumstances relative to the crime or crimes, including mitigating circumstances or social conditions surrounding the commission of the crime or crimes;

~~(3)~~ (6) the age of the person at the time the crime or crimes were committed;

~~(4)~~ (7) the length of time elapsed since the crime or crimes were committed; and

~~(5)~~ (8) all other competent evidence of rehabilitation and present fitness presented, including, but not limited to, proof that the person has completed a treatment program and letters of reference by persons who have been in contact with the applicant since the applicant's release from any local, state, or federal correctional institution.

(c) The certified copy of a person's United States Department of Defense form DD-214 showing the person's honorable discharge or separation under honorable conditions from the United States armed forces ceases to qualify as competent evidence of sufficient rehabilitation for purposes of this section upon the person's conviction for any gross misdemeanor or felony committed by the person subsequent to the effective date of that honorable discharge or separation from military service.

Sec. 58. Minnesota Statutes 2024, section 364.05, is amended to read:

364.05 NOTIFICATION UPON DENIAL OF EMPLOYMENT OR DISQUALIFICATION FROM OCCUPATION.

If a hiring or licensing authority denies an individual a position of public employment or disqualifies the individual from pursuing, practicing, or engaging in any occupation for which a license is required, solely or in part because of the individual's prior conviction of a crime, the hiring or licensing authority shall notify the individual in writing of the following:

(1) the grounds and reasons for the denial or disqualification;

(2) the applicable complaint and grievance procedure as set forth in section 364.06;

(3) the earliest date on which the person may reapply for a position of public employment or a license with a hiring or licensing authority; and

(4) that the hiring or licensing authority will consider all competent evidence of rehabilitation presented ~~will be considered~~ upon reapplication.

Sec. 59. Minnesota Statutes 2025 Supplement, section 388.23, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of:

(1) any records of:

(i) telephone companies, cellular phone companies, paging companies, and subscribers of private computer networks including Internet service providers or computer bulletin board systems;

(ii) electric companies, gas companies, and water utilities;

(iii) chemical suppliers;

(iv) hotels and motels;

(v) pawn shops;

(vi) airlines, buses, taxis, and other entities engaged in the business of transporting people; and

(vii) freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery;

(2) books, papers, correspondence, memoranda, agreements, and other documents or records related to a law enforcement investigation of financial crimes and fraud, including but not limited to fraud involving state funded or administered programs or services as defined in section 299C.061, subdivision 1, paragraph (b), and insurance fraud in violation of section 609.611;

~~(2)~~ (3) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies;

~~(3)~~ (4) insurance records relating to the monetary payment or settlement of claims;

~~(4)~~ (5) the banking, credit card, and financial records of a subject of an identity theft investigation or a vulnerable adult, whether held in the name of the vulnerable adult or a third party, including but not limited to safe deposit, loan and account applications and agreements, signature cards, statements, checks, transfers, account authorizations, safe deposit access records and documentation of fraud;

~~(5)~~ (6) wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs; and

~~(6)~~ (7) any of the following records of an employer or business entity who is the subject of or has information related to a wage theft investigation:

(i) accounting and financial records such as books, registers, payrolls, banking records, credit card records, securities records, and records of money transfers;

(ii) records required to be kept pursuant to section 177.30, paragraph (a); and

(iii) other records that in any way relate to wages or other income paid, hours worked, and other conditions of employment of any employee or of work performed by persons identified as independent contractors, and records of any payments to contractors, and records of workers' compensation insurance.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation. Administrative subpoenas may only be issued in wage theft, welfare fraud, ~~and~~ identity theft cases, and cases related to a law enforcement investigation of financial crimes and fraud if there is probable cause to believe a crime has been committed.

(c) This subdivision applies only to the records of business entities and does not extend to private individuals or their dwellings.

(d) As used in this subdivision, "business entity" has the meaning given in section 308B.005.

Sec. 60. Minnesota Statutes 2024, section 518B.02, subdivision 2, is amended to read:

Subd. 2. **Standards for domestic abuse counseling programs and domestic abuse educational programs.** (a) Domestic abuse counseling or educational programs that provide group or class sessions for court-ordered domestic abuse offenders must provide documentation to the probation department or the court on program policies and how the program meets the criteria contained in paragraphs (b) to (l).

(b) Programs shall require offenders and abusing parties to attend a minimum of 24 sessions or 36 hours of programming, unless a probation agent has recommended fewer sessions. The documentation provided to the probation department or the court must specify the length of the program that offenders are required to complete.

(c) Programs must have a written policy requiring that counselors and facilitators report to the court and to the offender's probation or corrections officer any threats of violence made by the offender or abusing party, acts of violence by the offender or abusing party, violation of court orders by the offender or abusing party, and violation of program rules that resulted in the offender's or abusing party's termination from the program. Programs shall have written policies requiring that counselors and facilitators hold offenders and abusing parties solely responsible for their behavior.

Programs shall have written policies requiring that counselors and facilitators be violence free in their own lives.

(d) Each program shall conduct an intake process with each offender or abusing party. This intake process shall look for chemical dependency problems and possible risks the offender or abusing party might pose to self or others. The program must have policies regarding referral of a chemically dependent offender or abusing party to a chemical dependency treatment center. If the offender or abusing party poses a risk to self or others, the program shall report this information to the court, the probation or corrections officer, and the victim.

(e) If the offender or abusing party is reported back to the court or is terminated from the program, the program shall notify the victim of the circumstances unless the victim requests otherwise.

(f) Programs shall require court-ordered offenders and abusing parties to sign a release of information authorizing communication regarding the offender's or abusing party's progress in the program to the court, the offender's probation or corrections officer, other providers, and the victim. The offender or abusing party may not enter the program if the offender does not sign a release.

(g) If a counselor or facilitator contacts the victim, the counselor or facilitator must not elicit any information that the victim does not want to provide. A counselor or facilitator who contacts a victim shall (1) notify the victim of the right not to provide any information, (2) notify the victim of how any information provided will be used and with whom it will be shared, and (3) obtain the victim's permission before eliciting information from the victim or sharing information with anyone other than staff of the counseling program.

Programs shall have written policies requiring that counselors and facilitators inform victims of the confidentiality of information as provided by this subdivision. Programs must maintain separate files for information pertaining to the offender or abusing party and to the victim.

If a counselor or facilitator contacts a victim, the counselor or facilitator shall provide the victim with referral information for support services.

(h) Programs shall have written policies forbidding program staff from disclosing any confidential communication made by the offender or abusing party without the consent of the offender or abusing party, except that programs must warn a potential victim of imminent danger based upon information provided by an offender or abusing party.

(i) The counseling program or educational program must provide services in a group setting, unless the offender or abusing party would be inappropriate in a group setting.

Programs must provide separate sessions for male and female offenders and abusing parties.

(j) Programs shall have written policies forbidding program staff from offering or referring marriage or couples counseling until the offender or abusing party has completed a domestic abuse counseling program or educational program for the minimum number of court-ordered sessions and the counselor or facilitator reasonably believes that the violence, intimidation, and coercion has ceased and the victim feels safe to participate.

(k) Programs must have written policies requiring that the counselor or facilitator report when the court-ordered offender or abusing party has completed the program to the court and the offender's probation or corrections officer.

(l) Programs must have written policies to coordinate with the court, probation and corrections officers, ~~battered women's and~~ domestic abuse programs, child protection services, and other providers on promotion of victim safety and offender accountability.

Sec. 61. Minnesota Statutes 2025 Supplement, section 609.101, subdivision 2, is amended to read:

Subd. 2. **Minimum fines.** Notwithstanding any other law, when a court sentences a person convicted of violating section 609.221, 609.222, 609.223, 609.2231, 609.224, 609.2242, 609.267, 609.2671, 609.2672, 609.342, 609.343, 609.344, or 609.345, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of management and budget to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of management and budget to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, domestic abuse ~~victim~~ shelters and nonshelter programs, sexual assault programs, and children's advocacy centers as defined in section 260E.02, subdivision 5.

Sec. 62. Minnesota Statutes 2024, 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~~ the number of 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. 63. Minnesota Statutes 2024, section 609.19, subdivision 2, is amended to read:

Subd. 2. **Unintentional murders.** Whoever does either of the following is guilty of unintentional murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) causes the death of a human being, without intent to effect the death of any person, while committing or attempting to commit a felony offense other than criminal sexual conduct in the first or second degree with force or violence or a drive-by shooting; or

(2) causes the death of a human being without intent to effect the death of any person, while intentionally inflicting or attempting to inflict bodily harm upon the victim, when the perpetrator is restrained under an order for protection and the victim is a person designated to receive protection under the order. As used in this clause, "order for protection" includes an order for protection issued under chapter 518B; a harassment restraining order issued under section 609.748; a court order setting conditions of pretrial release or conditions of a criminal sentence or juvenile court disposition; a restraining order issued in a marriage dissolution action; and any order issued by a court of another state ~~or of~~, the United States, the District of Columbia, Tribal lands, United States territories, Canada, or a Canadian province that is similar to any of these orders.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 64. Minnesota Statutes 2025 Supplement, section 609.2334, subdivision 11, is amended to read:

Subd. 11. **Copy to law enforcement agency; lead investigative agency.** Within 24 hours of issuance of an order or continuance of an order under this section, the court administrator must forward the order for protection and any continuance of the order for protection to the local law enforcement agency with jurisdiction over the residence of the vulnerable adult and the lead investigative agency that received the report pursuant to subdivision 6. The court administrator shall make available to law enforcement officers in Minnesota, through a system of verification, information as to the existence and status of an order for protection issued under this section. Section 518B.01, subdivision 13, ~~applies~~ paragraphs (b) and (c), apply to orders granted under this section.

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

Sec. 65. Minnesota Statutes 2024, section 609.27, subdivision 2, is amended to read:

Subd. 2. **Sentence.** (a) Whoever violates subdivision 1 may be sentenced as follows:

(1) to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both if neither the pecuniary gain received by the violator nor the loss suffered by the person threatened or another as a result of the threat exceeds $300, or the benefits received or harm sustained are not susceptible of pecuniary measurement; or

(2) to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if such pecuniary gain or loss is more than $300 but less than $2,500; or

(3) to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if such pecuniary gain or loss is $2,500, or more.

(b) A person who violates subdivision 1, clause (6), 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, if the violation is a substantial factor in the victim suffering great bodily harm.

(c) A person who violates subdivision 1, clause (6), may be sentenced to imprisonment for not more than 15 years, or to payment of a fine of not more than $30,000, or both, if the violation is a substantial factor in the victim suffering death.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 66. Minnesota Statutes 2024, section 609.3471, is amended to read:

609.3471 RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.

Notwithstanding any provision of law to the contrary, no data contained in records or reports relating to petitions, complaints, or indictments issued pursuant to section 609.322, 609.342, 609.343, 609.344, 609.345, 609.3453, ~~or~~ 609.3458, or 617.246, which specifically identifies a victim who is a minor shall be accessible to the public, except by order of the court. Nothing in this section authorizes denial of access to any other data contained in the records or reports, including the identity of the defendant.

Sec. 67. Minnesota Statutes 2024, 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) "Closed-loop gift card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment, and is redeemable upon presentation by a consumer at a single merchant or group of affiliated merchants.

(c) "Gift card" means a physical or digital closed-loop gift card or open-loop gift card that is either activated or not activated.

(d) "Open-loop gift card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment, and is redeemable upon presentation at multiple unaffiliated merchants for goods or services within the payment card network.

~~(b)~~ (e) "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), clause (1), (3), 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)~~ (f) "Retail establishment" means the building where a retailer sells retail merchandise.

~~(d)~~ (g) "Retail merchandise" means all forms of tangible property, without limitation, held out for sale by a retailer and all gift cards.

~~(e)~~ (h) "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)~~ (i) "Retailer" means a person or entity that sells retail merchandise.

~~(g)~~ (j) "Value" means:

(1) in the case of property, 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~~.~~; or

(2) in the case of a gift card, the greatest amount of economic loss the owner of the property might reasonably suffer, including but not limited to the full monetary face value or potential value for variable-load gift cards.

Sec. 68. Minnesota Statutes 2024, 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), clause (1), (3), 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~~.~~; or

(iv) tampers with the stolen retail merchandise or its packaging for the purpose of obtaining anything of value from the retailer or any retail customer.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 69. Minnesota Statutes 2024, section 609.527, subdivision 1, is amended to read:

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

(b) "Direct victim" means any person or entity described in section 611A.01, paragraph (b), whose identity has been transferred, used, or possessed in violation of this section.

(c) "False pretense" means any false, fictitious, misleading, or fraudulent information or pretense or pretext depicting or including or deceptively similar to the name, logo, website address, email address, postal address, telephone number, or any other identifying information of a for-profit or not-for-profit business or organization or of a government agency, to which the user has no legitimate claim of right.

(d) "Financial institution" has the meaning given in section 13A.01, subdivision 2.

(e) "Forged digital likeness" means any video recording, motion-picture film, sound recording, electronic image, or photograph, or any technological representation of speech or conduct substantially derivative thereof that:

(1) was created, adapted, altered, or modified in a manner that was substantially dependent upon technical means;

(2) misrepresents the appearance, speech, or conduct of the individual; and

(3) is so realistic that a reasonable person would believe it depicts the image or speech of an actual individual.

~~(e)~~ (f) "Identity" means any name, voice or likeness, number, or data transmission that may be used, alone or in conjunction with any other information, to identify a specific individual or entity, including any of the following:

(1) a name, Social Security number, date of birth, official government-issued driver's license or identification number, government passport number, or employer or taxpayer identification number;

(2) a forged digital likeness;

~~(2)~~ (3) a unique electronic identification number, address, account number, or routing code; or

~~(3)~~ (4) a telecommunication identification information or access device.

~~(f)~~ (g) "Indirect victim" means any person or entity described in section 611A.01, paragraph (b), other than a direct victim.

~~(g)~~ (h) "Loss" means value obtained, as defined in section 609.52, subdivision 1, clause (3), and expenses incurred by a direct or indirect victim as a result of a violation of this section.

~~(h)~~ (i) "Unlawful activity" means:

(1) any felony violation of the laws of this state or any felony violation of a similar law of another state or the United States; and

(2) any nonfelony violation of the laws of this state involving theft, theft by swindle, forgery, fraud, or giving false information to a public official, or any nonfelony violation of a similar law of another state or the United States.

~~(i)~~ (j) "Scanning device" means a scanner, reader, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on a computer chip or magnetic strip or stripe of a payment card, driver's license, or state-issued identification card.

~~(j)~~ (k) "Reencoder" means an electronic device that places encoded information from the computer chip or magnetic strip or stripe of a payment card, driver's license, or state-issued identification card, onto the computer chip or magnetic strip or stripe of a different payment card, driver's license, or state-issued identification card, or any electronic medium that allows an authorized transaction to occur.

~~(k)~~ (l) "Payment card" means a credit card, charge card, debit card, or any other card that:

(1) is issued to an authorized card user; and

(2) allows the user to obtain, purchase, or receive credit, money, a good, a service, or anything of value.

Sec. 70. Minnesota Statutes 2024, section 609.605, subdivision 2, is amended to read:

Subd. 2. **Gross misdemeanor.** Whoever trespasses upon the grounds of a facility providing emergency shelter services for ~~battered women~~ domestic abuse victims, as defined under section 611A.31, subdivision 3, or providing comparable services for sex trafficking victims, as defined under section 609.321, subdivision 7b, or of a facility providing transitional housing for ~~battered women~~ domestic abuse victims and their children or sex trafficking victims and their children, without claim of right or consent of one who has right to give consent, and refuses to depart from the grounds of the facility on demand of one who has right to give consent, is guilty of a gross misdemeanor.

Sec. 71. Minnesota Statutes 2024, section 609.7495, subdivision 1, is amended to read:

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

(a) "Facility" means any of the following:

(1) a hospital or other health institution licensed under sections 144.50 to 144.56;

(2) a medical facility as defined in section 144.561;

(3) an agency, clinic, or office operated under the direction of or under contract with the commissioner of health or a community health board, as defined in section 145A.02;

(4) a facility providing counseling regarding options for medical services or recovery from an addiction;

(5) a facility providing emergency shelter services for ~~battered women~~ domestic abuse victims, as defined in section 611A.31, subdivision 3, or a facility providing transitional housing for ~~battered women~~ domestic abuse victims and their children;

(6) a facility as defined in section 260E.03, subdivision 6;

(7) a facility as defined in section 626.5572, subdivision 6, where the services described in that paragraph are provided;

(8) a place to or from which ambulance service, as defined in section 144E.001, is provided or sought to be provided; and

(9) a hospice provider licensed under section 144A.753.

(b) "Aggrieved party" means a person whose access to or egress from a facility is obstructed in violation of subdivision 2, or the facility.

Sec. 72. Minnesota Statutes 2024, section 609A.015, subdivision 5, is amended to read:

Subd. 5. **Bureau of Criminal Apprehension to identify eligible persons and grant expungement relief.** (a) The Bureau of Criminal Apprehension shall identify any records that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1, 2, or 3. The Bureau of Criminal Apprehension shall make an initial determination of eligibility within 30 days of the end of the applicable waiting period. If a record is not eligible for a grant of expungement at the time of the initial determination, the Bureau of Criminal Apprehension shall make subsequent eligibility determinations annually until the record is eligible for a grant of expungement.

(b) In making the determination under paragraph (a), the Bureau of Criminal Apprehension shall identify individuals who are the subject of relevant records through the use of fingerprints and thumbprints where fingerprints and thumbprints are available. Where fingerprints and thumbprints are not available, the Bureau of Criminal Apprehension shall identify individuals through the use of the person's name and date of birth. Records containing the same name and date of birth shall be presumed to refer to the same individual unless other evidence establishes, by a preponderance of the evidence, that they do not refer to the same individual. The Bureau of Criminal Apprehension is not required to review any other evidence in making a determination.

(c) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying persons and seal its own records without requiring an application, petition, or motion. Records shall be sealed 60 days after notice is sent to the judicial branch pursuant to paragraph (e) unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(d) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension and subject to a grant of expungement relief shall display a notation stating "expungement relief granted pursuant to section 609A.015."

(e) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases for which expungement relief was granted pursuant to this section. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Upon receipt of notice, the judicial branch shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and shall issue any order deemed necessary to achieve this purpose.

(f) If the Bureau of Criminal Apprehension subsequently determines that a sealed record did not qualify for expungement relief under this section, the Bureau of Criminal Apprehension shall unseal the record and notify the judicial branch. Upon notification, the judicial branch shall unseal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge. The Bureau of Criminal Apprehension shall make this determination based only on a record stored in the Bureau of Criminal Apprehension's criminal history system.

~~(f)~~ (g) The Bureau of Criminal Apprehension shall inform each law enforcement agency that its records may be affected by a grant of expungement relief. Notification may be through electronic means. Each notified law enforcement agency that receives a request to produce records shall first determine if the records were subject to a grant of expungement under this section. The law enforcement agency must not disclose records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and must maintain the data consistent with the classification in paragraph ~~(g)~~ (h). This paragraph does not apply to requests from a criminal justice agency as defined in section 609A.03, subdivision 7a, paragraph (f).

~~(g)~~ (h) Data on the person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph ~~(f)~~ (g), are private data on individuals as defined in section 13.02, subdivision 12.

~~(h)~~ (i) The prosecuting attorney shall notify the victim that an offense qualifies for automatic expungement under this section in the manner provided in section 611A.03, subdivisions 1 and 2.

~~(i)~~ (j) In any subsequent prosecution of a person granted expungement relief, the expunged criminal record may be pleaded and has the same effect as if the relief had not been granted.

~~(j)~~ (k) The Bureau of Criminal Apprehension is directed to develop, modify, or update a system to provide criminal justice agencies with uniform statewide access to criminal records sealed by expungement.

Sec. 73. Minnesota Statutes 2024, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. **Plea agreements; notification of victim.** Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(1) the contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement;

(2) the right to be present at the sentencing hearing ~~and~~, to be present at the hearing during which the plea is presented to the court, and to express at the plea hearing orally or in writing, at the victim's option, any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court; and

(3) the eligibility ~~of the offense~~ for automatic expungement pursuant to section 609A.015 of any offense pleaded to or dismissed as part of the plea agreement.

Sec. 74. Minnesota Statutes 2024, section 611A.03, is amended by adding a subdivision to read:

Subd. 4. **Plea hearing.** At the hearing during which the plea is presented to the court, the court shall ask the prosecutor if the victim has been notified of the plea agreement recommendation pursuant to this section, has been notified of the plea hearing, and if the victim wishes to express their objections to the plea agreement orally, in writing, or through the prosecutor.

Sec. 75. Minnesota Statutes 2024, section 611A.0311, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.

(b) "Domestic abuse case" means a prosecution for:

(1) a crime that involves domestic abuse;

(2) violation of a condition of release following an arrest for a crime that involves domestic abuse; ~~or~~

(3) violation of a domestic abuse order for protection issued pursuant to section 518B.01;

(4) violation of a harassment restraining order issued pursuant to section 609.748 committed against a family or household member by a family or household member;

(5) harassment or stalking within the meaning of section 609.749 committed against a family or household member by a family or household member; or

(6) violation of a domestic abuse no contact order issued pursuant to section 629.75.

Sec. 76. Minnesota Statutes 2024, section 611A.036, subdivision 7, is amended to read:

Subd. 7. **Definition.** As used in this section, "violent crime" means a violation or attempt to violate any of the following: section 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.2241 (knowing transfer of communicable disease); 609.2242 (domestic assault); 609.2245 (female genital mutilation); 609.2247 (domestic assault by strangulation); 609.228 (great bodily harm caused by distribution of drugs); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.247 (carjacking); 609.25 (kidnapping); 609.255 (false imprisonment); 609.265 (abduction); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.2672 (assault of an unborn child in the third degree); 609.268 (injury or death of an unborn child in commission of a crime); 609.282 (labor trafficking); 609.322 (solicitation, inducement, and promotion of prostitution; sex trafficking); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.377 (malicious punishment of a

child); 609.378 (neglect or endangerment of a child); 609.561, subdivision 1 (arson in the first degree; dwelling); 609.582, subdivision 1, paragraph (a) or (c) (burglary in the first degree; occupied dwelling or involving an assault); 609.66, subdivision 1e, paragraph (b) (drive-by shooting; firing at or toward a person, or an occupied building or motor vehicle); ~~or~~ 609.749, subdivision 2 (harassment); or 609.749, subdivision 5 (stalking); or Minnesota Statutes 2012, section 609.21.

Sec. 77. Minnesota Statutes 2024, section 611A.038, is amended to read:

611A.038 RIGHT TO SUBMIT STATEMENT AT SENTENCING.

(a) A victim has the right to submit an impact statement to the court at the time of sentencing or disposition hearing. The impact statement may be presented to the court orally or in writing, at the victim's option. If the victim requests, the prosecutor or the prosecutor's designee must orally present the statement to the court. Statements may include the following, subject to reasonable limitations as to time and length:

(1) a summary of the harm or trauma suffered by the victim as a result of the crime;

(2) a summary of the economic loss or damage suffered by the victim as a result of the crime; and

(3) a victim's reaction to the proposed sentence or disposition.

(b) At the sentencing or disposition hearing, the court shall ask the prosecutor if the victim has been notified of the hearing, if the victim is in court, and if the victim wishes to submit a victim impact statement orally, in writing, or through the prosecutor or the prosecutor's designee.

~~(b)~~ (c) A representative of the community affected by the crime may submit an impact statement in the same manner that a victim may as provided in paragraph (a). This impact statement shall describe the adverse social or economic effects the offense has had on persons residing and businesses operating in the community where the offense occurred.

~~(c)~~ (d) If the court permits the defendant or anyone speaking on the defendant's behalf to present a statement to the court, the court shall limit the response to factual issues which are relevant to sentencing.

~~(d)~~ (e) Nothing in this section shall be construed to extend the defendant's right to address the court under section 631.20.

Sec. 78. Minnesota Statutes 2024, 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, and of the eligibility of the offense for automatic expungement under section 609A.015 of any offense that was dismissed or for which the defendant was convicted or acquitted. 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. 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 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).

Sec. 79. Minnesota Statutes 2024, section 611A.31, subdivision 5, is amended to read:

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of the Department of ~~Corrections~~ Public Safety or a designee.

Sec. 80. **[626.5537] DOMESTIC ABUSE; REPORTING.**

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

(b) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2, paragraph (a), and also includes the following, if committed against a family or household member by a family or household member:

(1) violation of an order for protection within the meaning of section 518B.01, subdivision 14;

(2) violation of a harassment restraining order within the meaning of section 609.748, subdivision 6;

(3) harassment or stalking within the meaning of section 609.749; and

(4) violation of a domestic abuse no contact order within the meaning of section 629.75, subdivision 2.

(c) "Family or household member" has the meaning given in section 518B.01, subdivision 2, paragraph (b).

Subd. 2. **Collection of information; reporting.** The head of a local law enforcement agency or state law enforcement department that employs peace officers, as defined in section 626.84, subdivision 1, paragraph (c), must report every incident a peace officer reasonably believes, or a victim alleges, constitutes an act of domestic abuse to the commissioner of public safety by January 15 each year. The superintendent of the Bureau of Criminal Apprehension must adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include all of the following for each incident:

(1) the date of the incident;

(2) the location of the incident;

(3) the crime suspected to have been committed;

(4) whether the response began as a call for service alleging an act of domestic abuse;

(5) the perceived gender of the alleged victim and suspect;

(6) the perceived race of the alleged victim and suspect;

(7) whether a suspect was arrested at the time of the incident;

(8) whether a suspect was arrested at a later date and, if so, the time between the incident and the arrest;

(9) whether the alleged victim was arrested at the time of the incident and, if so, any alleged crime that formed the basis for the arrest;

(10) whether the alleged offender possessed, or was reported to possess, a firearm at the time of the incident;

(11) whether the case was referred for prosecution;

(12) whether the determination that the incident constituted an act of domestic abuse was based on an officer's reasonable belief, the victim's allegation, or both; and

(13) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Subd. 3. **Annual report.** The commissioner of public safety must summarize and analyze the information received under subdivision 2 and provide an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety. The annual report may be included in the department's annual uniform crime report.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 81. **[626.745] USE OF CHEMICAL IRRITANTS; DISCLOSURE REQUIRED.**

Subdivision 1. **Definition.** For purposes of this section, "building" has the meaning given in section 609.581, subdivision 2.

Subd. 2. **Notice of use; identification of products deployed.** (a) Notwithstanding any data classification under chapter 13, a peace officer, law enforcement agency, and local unit of government must provide information about the use of any chemical irritant, smoke screen, or diversionary device deployed within a building as required under this section.

(b) A peace officer from a law enforcement agency that deploys a chemical irritant within a building, or an officer from the lead law enforcement agency if officers from multiple agencies deploy chemical irritants, must provide notice of the deployment to the owner of the building and, if the building is a private residence, the occupant of the residence. If the building contains two or more dwelling units, the peace officer must notify the occupant of any unit in which a chemical irritant was deployed. A peace officer may notify the occupant of any other unit. A peace officer may provide notice by giving a building owner or occupant the standard form created by the commissioner of public safety, leaving the form in a place where it is likely to be seen by a building owner or occupant, or providing the information contained in the form orally or in another format.

(c) Upon request, the law enforcement agency or local government unit that employs a peace officer who deployed a chemical irritant, smoke screen, or diversionary device within a building must disclose information about the products deployed to:

(1) the building owner;

(2) any tenant in the building;

(3) any applicable insurer; and

(4) any person retained to provide cleaning or other remediation services related to the deployment of chemical irritants, smoke screens, or diversionary devices.

(d) Information about any products deployed within a building must include the name, product number, and total number of all chemical irritants, smoke screens, and diversionary devices deployed by a peace officer employed by the law enforcement agency or local government unit.

(e) If officers from multiple law enforcement agencies deployed chemical irritants, smoke screens, or diversionary devices, the lead law enforcement agency must identify the other law enforcement agencies involved when responding to a request described in paragraph (c).

Subd. 3. **Standard form.** (a) The commissioner of public safety must create a standard notification form for use by peace officers and law enforcement agencies. At a minimum, the form must state that:

(1) a chemical irritant was deployed within the building;

(2) specialized cleanup or treatment of the building may be appropriate; and

(3) the building owner or occupant may contact the law enforcement agency or local government unit that employs the peace officer for more information about what substance was deployed in the building.

(b) The commissioner must provide the standard form to law enforcement agencies and local government units upon request and at no cost.

Sec. 82. Minnesota Statutes 2025 Supplement, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.322, 609.342 to 609.345, and 609.3458 may be found or made at any time after the commission of the offense.

(f) Indictments or complaints for a violation of section 609.561 shall be found or made and filed in the proper court within ten years after the commission of the offense.

(g) Indictments or complaints for violation of chapter 80A, or a rule adopted or order issued under that chapter, made as provided in section 80A.75 or for violation of section 508.80; 609.465; 609.52, subdivision 2, paragraph (a), clause (4); 609.53; or 609.645 shall be found or made and filed in the proper court within seven years after the commission of the offense.

~~(g)~~ (h) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, paragraph (a), clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

~~(h)~~ (i) Indictments or complaints for violation of section 609.2335, 609.52, subdivision 2, paragraph (a), clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than $35,000, or for violation of section 609.527 where the offense involves eight or more direct victims or the total combined loss to the direct and indirect victims is more than $35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(i)~~ (j) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(j)~~ (k) Indictments or complaints for violation of sections 609.562 and 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(k)~~ (l) Indictments or complaints for violation of section 609.746 shall be found or made and filed in the proper court within the later of three years after the commission of the offense or three years after the offense was reported to law enforcement authorities.

~~(l)~~ (m) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

~~(m)~~ (n) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

~~(n)~~ (o) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

~~(o)~~ (p) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 2026.

Sec. 83. Minnesota Statutes 2024, section 629.341, subdivision 1, is amended to read:

Subdivision 1. **Arrest; referral for prosecution.** (a) Notwithstanding section 629.34 or any other law or rule, a peace officer may arrest a person anywhere without a warrant, including at the person's residence, if the peace officer has probable cause to believe that within the preceding ~~72 hours~~ 28 days, exclusive of the day probable cause was established, the person has committed nonfelony domestic abuse, as defined in section 518B.01, subdivision 2. The arrest may be made even though the assault did not take place in the presence of the peace officer.

(b) If a peace officer has probable cause to believe that a person has committed any act that constitutes harassing or stalking any person in violation of section 609.749; domestic abuse as defined in section 518B.01, subdivision 2; violation of an order for protection as described in section 518B.01, subdivision 14; or violation of a domestic abuse no contact order as described in section 629.75 and the person was not arrested, the peace officer should seek a warrant from a judge for the person's arrest without undue delay. A warrant issued under this paragraph is not subject to the limitations described in section 629.31.

Sec. 84. Minnesota Statutes 2024, section 629.341, subdivision 4, is amended to read:

Subd. 4. **Report required.** (a) Whenever a peace officer investigates an allegation that ~~an incident described in subdivision 1 has occurred, whether or not an arrest is made,~~ a person has committed a qualified domestic violence-related offense and the victim is a family or household member, the officer shall make a written police report of the alleged incident regardless of whether an arrest is made. The report must contain at least the following information: the name, address and telephone number of the victim, if provided by the victim, a statement as to whether an arrest occurred, the name of the arrested person, and a brief summary of the incident. Data that identify a victim who has made a request under section 13.82, subdivision 17, paragraph (d), and that are private data under that subdivision, shall be private in the report required by this section. A copy of this report must be provided upon request, at no cost, to the victim of domestic abuse, the victim's attorney, or organizations designated by the Office of Justice Programs in the Department of Public Safety that are providing services to victims of domestic abuse. The officer shall submit the report to the officer's supervisor or other person to whom the employer's rules or policies require reports of similar allegations of criminal activity to be made.

(b) As used in this subdivision:

(1) "qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16; and

(2) "family or household member" has the meaning given in section 518B.01, subdivision 2, paragraph (b).

Sec. 85. Minnesota Statutes 2024, section 629.72, subdivision 1a, is amended to read:

Subd. 1a. **Detention in lieu of citation; release.** (a) Notwithstanding any other law or rule, an arresting officer may not issue a citation in lieu of arrest and detention to an individual charged with harassing or stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order.

(b) Notwithstanding any other law or rule, an individual who is arrested on a charge of harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order, must be brought to the police station or county jail. An individual who is arrested on a charge of violation of an order for protection or violation of a domestic abuse no contact order must be detained until the person's first court appearance as required under sections 518B.01, subdivision 14, paragraph (e), and 629.75, subdivision 3. The officer in charge of the police station or the county sheriff in charge of the jail shall issue a citation in lieu of continued detention for a charge of harassing or stalking any person or for domestic abuse unless it reasonably appears to the officer or sheriff that release of the person (1) poses a threat to the alleged victim or another family or household member, (2) poses a threat to public safety, or (3) involves a substantial likelihood the arrested person will fail to appear at subsequent proceedings. In determining if the person poses a threat to the alleged victim or another family or household member, the officer in charge of the police station or the county sheriff in charge of the jail must consider the person's history of domestic violence, including but not limited to:

(i) any previous arrest or conviction for harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order;

(ii) any order for protection, harassment restraining order, or domestic abuse no contact order in which the person was identified as the subject of the order; and

(iii) any pending petitions for an order for protection or a harassment restraining order in which the person is a respondent.

(c) If the arrested person is not issued a citation by the officer in charge of the police station or the county sheriff, the arrested person must be brought before the nearest available judge of the district court in the county in which the alleged harassing or stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order took place without unnecessary delay as provided by court rule.

Sec. 86. Minnesota Statutes 2024, section 629.72, subdivision 2, is amended to read:

Subd. 2. **Judicial review; release; bail.** (a) The judge before whom the arrested person is brought shall review the facts surrounding the arrest and detention of a person arrested for domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order. The prosecutor or prosecutor's designee shall present relevant information involving the victim's or the victim's family's account of the alleged crime to the judge to be considered in determining the arrested person's release. If the person was arrested for violation of an order for protection or violation of a domestic abuse no contact order, the prosecutor or prosecutor's designee must describe the allegations in the underlying petition or criminal case. The prosecutor or prosecutor's designee may present information and bail recommendations in person or by filing it with the court through the appropriate electronic filing system. In making a decision concerning pretrial release conditions of a person arrested for domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order, the judge shall review the facts of the arrest and detention of the person and the relevant information presented or filed by the prosecutor or prosecutor's designee and determine whether: (1) release of the person poses a threat to the alleged victim, another family or household member, or public safety; or (2) there is a substantial likelihood the person will fail to appear at subsequent proceedings. Before releasing a person arrested for or charged with a crime of domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order, the judge shall make findings on the record, to the extent possible, concerning the determination made in accordance with the factors specified in clauses (1) and (2). The findings should describe whether the person:

(i) was previously arrested for, or convicted of, harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order;

(ii) has ever been the subject of an order for protection, harassment restraining order, or domestic abuse no contact order and, if so, the nature of the allegations or charges that gave rise to the order; and

(iii) is the respondent in any pending petition for an order for protection or harassment restraining order and, if so, the nature of the allegations in any petition.

(b) The judge may impose conditions of release or bail, or both, on the person to protect the alleged victim or other family or household members and to ensure the appearance of the person at subsequent proceedings. These conditions may include an order:

(1) enjoining the person from threatening to commit or committing acts of domestic abuse or harassing or stalking against the alleged victim or other family or household members or from violating an order for protection or a domestic abuse no contact order;

(2) prohibiting the person from harassing, annoying, telephoning, contacting, or otherwise communicating with the alleged victim, either directly or indirectly;

(3) directing the person to vacate or stay away from the home of the alleged victim and to stay away from any other location where the alleged victim is likely to be;

(4) prohibiting the person from possessing a firearm or other weapon specified by the court;

(5) prohibiting the person from possessing or consuming alcohol or controlled substances; and

(6) specifying any other matter required to protect the safety of the alleged victim and to ensure the appearance of the person at subsequent proceedings.

(c) If conditions of release are imposed, the judge shall issue a written order for conditional release. The court administrator shall immediately distribute a copy of the order for conditional release to the agency having custody of the arrested person and shall provide the agency having custody of the arrested person with any available information on the location of the victim in a manner that protects the victim's safety. Either the court or its designee or the agency having custody of the arrested person shall serve upon the defendant a copy of the order. Failure to serve the arrested person with a copy of the order for conditional release does not invalidate the conditions of release.

(d) If the judge imposes as a condition of release a requirement that the person have no contact with the alleged victim, the judge may also, on its own motion or that of the prosecutor or on request of the victim, issue an ex parte temporary restraining order under section 609.748, subdivision 4, or an ex parte temporary order for protection under section 518B.01, subdivision 7. Notwithstanding section 518B.01, subdivision 7, paragraph (b), or 609.748, subdivision 4, paragraph (c), the temporary order is effective until the defendant is convicted or acquitted, or the charge is dismissed, provided that upon request the defendant is entitled to a full hearing on the restraining order under section 609.748, subdivision 5, or on the order for protection under section 518B.01. The hearing must be held within seven days of the defendant's request.

Sec. 87. Minnesota Statutes 2024, section 629.72, subdivision 2a, is amended to read:

Subd. 2a. **Electronic monitoring; condition of pretrial release.** (a) Until the commissioner of corrections has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of release, may not order a person arrested for a crime described in section 609.135, subdivision 5a, paragraph (b), to use an electronic monitoring device to protect a victim's safety.

(b) Notwithstanding paragraph (a), the chief judge of a judicial district may appoint and convene an advisory group comprised of representatives from law enforcement, prosecutors, defense attorneys, corrections, court administrators, judges, and ~~battered women's~~ domestic abuse organizations to develop standards for the use of electronic monitoring and global positioning system devices to protect victims of domestic abuse and for evaluating the effectiveness of electronic monitoring. After the advisory group does this, the chief judge, in consultation with the advisory group, may conduct a pilot project for implementation of the electronic monitoring standards. A judicial district that conducts a pilot project shall report on the standards and the pilot project to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy and the state court administrator's office.

Sec. 88. **RULEMAKING; DEPARTMENT OF CORRECTIONS; LICENSED JUVENILE FACILITIES.**

Subdivision 1. **Administrative and medical separation.** (a) The notification requirements in this subdivision apply to juvenile facilities licensed by the commissioner of corrections under Minnesota Statutes, sections 241.011 to 241.013.

(b) A facility's chief administrator must notify the commissioner according to Minnesota Rules, part 2960.0270, subpart 12, if a resident is expected to be, or has been, in administrative or medical separation for more than seven days.

(c) The notification under paragraph (b) must be within ten days of the resident's placement, or expected placement, in administrative separation or medical separation for more than seven days.

(d) This subdivision expires when the rules adopted under subdivision 2 are effective.

Subd. 2. **Rulemaking.** (a) The commissioner of corrections must amend Minnesota Rules, parts 2960.0740, subpart 3, and 2960.0750, subpart 3, to require notification according to subdivision 1, paragraphs (b) and (c).

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this subdivision.

(c) Notwithstanding Minnesota Laws 1995, chapter 226, article 3, sections 50, 51, and 60, or any other law to the contrary, the joint rulemaking authority with the commissioners of the Department of Human Services and other state agencies does not apply to rules adopted under this subdivision.

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

Sec. 89. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber each section of Minnesota Statutes listed in column A with the number listed in column B.

Column A	Column B
241.021, subdivision 4	241.74, subdivision 1
241.021, subdivision 4a	241.39
241.021, subdivision 4b	241.74, subdivision 2, paragraph (a)
241.021, subdivision 4c	241.74, subdivision 2, paragraph (b)
241.021, subdivision 4d	241.74, subdivision 3
241.021, subdivision 4e	241.254

(b) As a result of amendments to Minnesota Statutes, sections 241.011 to 241.021, the revisor of statutes must work with the Department of Corrections to correct cross-references in Minnesota Statutes and Minnesota Rules and make other necessary grammatical and technical changes.

Sec. 90. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "battered women" to "domestic abuse victims" or a similar term wherever the term or similar terms appear in Minnesota Statutes. The revisor must make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes.

Sec. 91. **REPEALER.**

(a) Minnesota Statutes 2024, sections 241.021, subdivisions 1g, 1h, 2a, 2b, 3, and 6; 299C.12; and 629.72, subdivision 3, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to public safety; providing policy for public safety, correctional facilities, investigations, Department of Public Safety data, controlled substances, crime victims, orders for protection, private detective and protective agent licensure, employment disqualifications, sentence adjustments, expungement relief, domestic abuse-related crimes and data, use of chemical irritants, and crimes of coercion, retail theft, identity theft, and fraud; providing for reimbursements; replacing the term "battered women" in statute where it appears; providing criminal penalties; requiring reports; requiring rulemaking; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 12.221, subdivision 6; 13.69, subdivision 1; 13.6905, by adding subdivisions; 13.871, subdivision 5; 116L.362, subdivision 1; 119A.37, subdivision 4; 142G.12, subdivision 2; 142G.53; 152.027, subdivision 7; 203B.06, subdivision 3; 203B.11, subdivision 1; 241.021, subdivisions 1f, 1i, 4a; 241.69, subdivisions 1, 3, 4, 5, 6; 256D.02, subdivision 12a; 256G.02, subdivision 6; 257.75, subdivision 6; 260E.02, subdivision 1; 299A.85, subdivision 4; 299A.90, subdivision 3; 299C.05; 299C.065, subdivisions 1, 1a, 2, 3, 3a; 299C.46, subdivision 6; 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3; 364.03, subdivision 3; 364.05; 518B.02, subdivision 2; 609.133, subdivision 4; 609.19, subdivision 2; 609.27, subdivision 2; 609.3471; 609.522, subdivisions 1, 2; 609.527, subdivision 1; 609.605, subdivision 2; 609.7495, subdivision 1; 609A.015, subdivision 5; 611A.03, subdivision 1, by adding a subdivision; 611A.0311, subdivision 1; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1; 611A.31, subdivision 5; 629.341, subdivisions 1, 4; 629.72, subdivisions 1a, 2, 2a; Minnesota Statutes 2025 Supplement, sections 120B.22, subdivision 1; 201.061, subdivision 3; 241.021, subdivision 1; 244.46, subdivision 1; 256G.03, subdivision 2; 299C.80, subdivision 6; 388.23, subdivision 1; 609.101, subdivision 2; 609.2334, subdivision 11; 628.26; proposing coding for new law in Minnesota Statutes, chapters 241; 626; repealing Minnesota Statutes 2024, sections 241.021, subdivisions 1g, 1h, 2a, 2b, 3, 6; 299C.12; 629.72, subdivision 3; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2."

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

The report was adopted.

Baker and Pinto from the Committee on Workforce, Labor, and Economic Development Finance and Policy to which was referred:

H. F. No. 4003, A bill for an act relating to workforce development; modifying an appropriation to the Rural Cancer Institute.

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

The report was adopted.

Koznick and Tabke from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 4006, A bill for an act relating to transportation; modifying prior appropriation for Progress Parkway construction project in the city of Eveleth; amending Laws 2023, chapter 68, article 1, section 17, subdivision 17.

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

The report was adopted.

Fischer and Heintzeman from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4019, A bill for an act relating to natural resources; expanding eligibility criteria for Mt. Simon-Hinckley aquifer appropriation permits; amending Minnesota Statutes 2024, section 103G.271, subdivision 4a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** (a) Except as provided under paragraphs (b) and (c), the commissioner may not issue new water-use permits that will appropriate water from the Mt. Simon-Hinckley aquifer ~~unless the appropriation is for potable water use, there are no feasible or practical alternatives to this source, and a water conservation plan is incorporated with the permit~~.

(b) The commissioner may issue a new water-use permit to appropriate water from the Mt. Simon-Hinckley aquifer for a first priority water use as described in section 103G.261, paragraph (a), clause (1), if:

(1) the commissioner determines that there are no feasible or practical alternatives to this source;

(2) a water conservation plan that incorporates best available water conservation technology and practices is required in the permit; and

(3) the permit is consistent with the requirements of sections 103G.255 to 103G.2991 and the general permit requirements of sections 103G.301 and 103G.315, as applicable.

(c) The commissioner may issue a new water-use permit to appropriate water from the Mt. Simon-Hinckley aquifer for irrigation of a growing crop, if the requested appropriation is in Aitkin County, Carlton County, Chisago County, Isanti County, Kanabec County, Mille Lacs County, Pine County, or Sherburne County and:

(1) the commissioner determines that there are no feasible or practical alternatives to this source;

(2) a water conservation plan that incorporates best available water conservation technology and practices is required in the permit;

(3) the commissioner requires the installation and maintenance of monitoring equipment to evaluate water resource impacts from the permitted appropriation under section 103G.282;

(4) the commissioner requires an applicant to conduct an aquifer test as provided under section 103G.287;

(5) the permit is for the use of no more than 50,000,000 gallons per year;

(6) the commissioner requires an applicant to test the water for the presence of perfluoroalkyl and polyfluoroalkyl substances, nitrates, and pesticides after a water-use permit has been granted; and

(7) the permit is consistent with the requirements of sections 103G.255 to 103G.2991 and the general permit requirements of sections 103G.301 and 103G.315, as applicable.

(d) The permit applicant is responsible for all costs related to the water quality testing required under paragraph (c), clause (6).

(e) For the purpose of this section, "growing crop" means an agricultural, horticultural, or forest crop that has been planted or regularly maintained and intended for harvest. It does not mean a permanent pasture, hay meadow, woodlot, or other noncrop area that contains native or seeded perennial plants used for grazing or hay purposes and that is not harvested on a regular basis."

Correct the title numbers accordingly

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4052, A bill for an act relating to telecommunications; modifying and clarifying various provisions governing telephone company regulation, infrastructure and railroad crossings, pricing plans, service classification, and reporting requirements; amending Minnesota Statutes 2024, sections 237.069; 237.11; 237.164; 237.66, by adding subdivisions; repealing Minnesota Statutes 2024, sections 237.036; 237.06; 237.065; 237.066; 237.067; 237.07; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.46; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.626; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.75; 237.766; 237.768; 237.772; 237.775.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 237.035, is amended to read:

237.035 TELECOMMUNICATIONS CARRIER EXEMPTION.

(a) Telecommunications carriers are subject to regulation under this chapter only to the extent required under paragraphs (b) to (e).

(b) Telecommunications carriers shall comply with sections 237.121 and 237.74.

(c) Telecommunications carriers shall comply with section 237.16, ~~subdivisions~~ subdivision 8 ~~and 9~~.

(d) To the extent a telecommunications carrier offers local service, it shall obtain a certificate under section 237.16 for that local service.

(e) In addition, a telecommunications carrier's local service is subject to this chapter except that:

(1) a telecommunications carrier is not subject to rate-of-return or earnings investigations under section 237.075 or 237.081; and

(2) a telecommunications carrier is not subject to section 237.22.

Sec. 2. Minnesota Statutes 2024, section 237.036, is amended to read:

237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.

~~(a) Neither commission approval nor a commission certificate is required to:~~

~~(1) site a coin-operated or public pay telephone in the state; or~~

~~(2) implement changes in service, services offered, rates, or location regarding a coin-operated or public pay telephone. Registration under section 237.64 is required to own or operate a coin-operated or public pay telephone in the state.~~

~~(b) This section does not change the authority of other state or local government entities to regulate aspects of coin-operated or public pay telephone ownership, location, or operation; however, an entity may not regulate aspects of these services that it did not regulate prior to May 26, 1999. The commission shall retain the authority delegated to it under federal and state law to protect the public interest with regard to coin-operated or public pay telephones.~~

~~(c) Owners and operators of coin-operated or public pay telephones are exempt from sections 237.06, 237.07, 237.075, 237.09, 237.23, and 237.295, and the annual reporting requirement of section 237.11.~~

~~(d)~~ Owners of coin-operated or public pay telephones shall:

(1) provide immediate coin-free access, to the extent technically feasible, to 911 emergency service or to another approved emergency service; and

(2) provide free access to the telecommunications relay service for people with communication disabilities.

~~(e) Owners of coin-operated or public pay telephones must post at each coin-operated or public pay telephone location:~~

~~(1) customer service and complaint information, including the name, address, and telephone number of the owner of the coin-operated or public pay telephone and the operator service handling calls from the coin-operated or public pay telephone; a toll-free number of the appropriate telephone company for the resolution of complaints; and the toll-free number of the public utilities commission; and~~

~~(2) a toll-free number at which consumers can obtain pricing information regarding rates, charges, terms, and conditions of local and long-distance calls.~~

Sec. 3. Minnesota Statutes 2024, section 237.069, is amended to read:

237.069 TRACER; HARASSING TELEPHONE CALL; RULES.

~~The commission shall adopt rules to govern how telephone companies respond to requests for tracers made by persons who allege receiving harassing telephone calls. The rules must address when a request for a tracer may be denied or delayed.~~ A telecommunications carrier operating in Minnesota must ensure the telecommunications carrier's equipment, facilities, and services are capable of enabling authorized law enforcement agencies to conduct lawful interception and access call-identifying information in a manner consistent with United States Code, title 47, sections 1001 to 1010.

Sec. 4. Minnesota Statutes 2024, section 237.07, subdivision 1, is amended to read:

Subdivision 1. **Filing of charges.** Every telephone company shall keep on file with the department a specific rate, toll, or charge for every kind of noncompetitive service and a price list for every kind of service subject to emerging competition, together with all rules and classifications used by it in the conduct of the telephone business, including limitations on liability. The filings are governed by chapter 13. When a company sells services subject to emerging competition on an individually priced basis, it shall file a statement of the charges to its customers with the commission and the department. ~~The department shall require each telephone company to keep open for public inspection, at designated offices, so much of these rates, price lists, and rules as it deems necessary for the public information.~~

Sec. 5. Minnesota Statutes 2024, section 237.11, is amended to read:

237.11 INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.

(a) Every telephone company subject to the provisions of this chapter, wherever organized, shall ~~keep an office in this state, and~~ make such reports to the department as it shall from time to time require. All books, records, and files~~, whether they relate to competitive or noncompetitive services,~~ and all of its property shall be at all times subject to inspection by the commission and the department. It shall close its accounts and take therefrom a balance sheet on December 31 of each year, and on or before May 1 following, such balance sheet, together with such other information as the department shall require, verified by an officer of the telephone company, shall be filed with the commission and the department, except that a local exchange carrier or a competitive local exchange carrier, as defined in Minnesota Rules, chapter 7811, is only required to file an annual report that includes the company's name, contact person, annual revenue, and status of its 911 update plan.

(b) In the event that any telephone company shall fail to file its annual report, as provided by this section, the department is authorized to make such an examination of the books, records, and vouchers of the company as is necessary to procure the necessary data for the annual report and cause the same to be prepared. The expense of procuring this data and preparing this report shall be paid by the telephone company failing to report, and the amount paid shall be credited by the commissioner of management and budget to funds appropriated for the expense of the department.

(c) The department is authorized to force collection of such sum by an action at law in the name of the department.

Sec. 6. Minnesota Statutes 2024, section 237.164, is amended to read:

237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.

~~The commission shall establish intrastate service discounts for schools and libraries by order to the extent necessary to enable schools and libraries to receive federally supported discounts.~~ A school, school district, or library is eligible to receive telecommunications service at discounted rates, consistent with the E-rate program administered by the Universal Service Administrative Company under United States Code, title 47, section 254, and Code of Federal Regulations, title 47, part 54.

Sec. 7. Minnesota Statutes 2024, section 237.626, subdivision 1, is amended to read:

Subdivision 1. **Promotions.** A telephone company or telecommunications carrier may promote the use of its services by offering a waiver of part or all of a recurring or a nonrecurring charge, a redemption coupon, or a premium with the purchase of a service. Section 237.09 does not apply to promotions under this section, but the

customer group to which the promotion is available must be based on reasonable distinctions among customers. The service being promoted must have a price that is above the incremental cost of the service, including amortized cost of the promotion. ~~A promotion may take effect the day after the notice is filed with the commission. The notice must identify customers to whom the promotion is available.~~

Sec. 8. Minnesota Statutes 2024, section 237.626, subdivision 3, is amended to read:

Subd. 3. **Promotions available for resale.** Any promotional offering ~~lasting more than 90 days and filed with the commission under subdivision 1 must be~~ does not need to be made available to qualifying carriers for resale. ~~A~~ If a telephone company or telecommunications carrier makes a promotional offering available to a qualifying carrier for resale, the qualifying carrier must hold a certificate of authority from the commission and must have an approved interconnection agreement with the company offering the promotion, the terms of which include language governing the resale of services.

Sec. 9. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to read:

Subd. 4. **Notice; local residential customers.** A telephone company must notify a residential customer regarding the price for all service options available to the customer. A notice must be provided:

(1) at the time the customer initially requests service;

(2) when the customer requests a service change; and

(3) at any time upon the customer's request.

Sec. 10. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to read:

Subd. 5. **Customer notice; prior authorization.** A telephone company may provide the notice under subdivision 4 to a customer using paper billing, electronic billing, or other electronic communication methods if:

(1) the customer affirmatively opts in to electronic billing or electronic communication;

(2) the information in the notice is provided clearly and accessibly; and

(3) the customer is allowed to request a paper copy of service option pricing at any time at no charge to the customer.

Sec. 11. Minnesota Statutes 2024, section 237.70, subdivision 7, is amended to read:

Subd. 7. **Application, notice, financial administration, complaint investigation.** The telephone assistance plan must be administered jointly by the commission, the Department of Commerce, and the local service providers in accordance with the following guidelines:

(a) The commission and the Department of Commerce shall develop an application form that must be completed by the subscriber for the purpose of certifying eligibility for telephone assistance plan credits to the local service provider. The application must contain the applicant's Social Security number. Applicants who refuse to provide a Social Security number will be denied telephone assistance plan credits. The application form must also include a statement that the applicant household is currently eligible for one of the programs that confers eligibility for the federal Lifeline Program. The application must be signed by the applicant, certifying, under penalty of perjury, that the information provided by the applicant is true.

(b) Each local service provider shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT .....

(c) An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf. On completing the application certifying that the statutory criteria for eligibility are satisfied, the applicant must return the application to the subscriber's local service provider. On receiving a completed application from an applicant, the subscriber's local service provider shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the application. The applicant must receive telephone assistance plan credits until the earliest possible month following the service provider's receipt of information that the applicant is ineligible.

If the telephone assistance plan credit is not itemized on the subscriber's monthly charges bill for local telephone service, the local service provider must notify the subscriber of the approval for the telephone assistance plan credit.

(d) The commission shall serve as the coordinator of the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

~~(2) establish a uniform statewide level of telephone assistance plan credit that each local service provider shall extend to each eligible household in its service area;~~

~~(3)~~ (2) require each local service provider to account to the commission on a periodic basis for surcharge revenues collected by the provider, expenses incurred by the provider, not to include expenses of collecting surcharges, and credits extended by the provider under the telephone assistance plan;

~~(4)~~ (3) require each local service provider to remit surcharge revenues to the Department of Public Safety for deposit in the fund; and

~~(5)~~ (4) remit to each local service provider from the surcharge revenue pool the amount necessary to compensate the provider for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each local service provider shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the Department of Commerce with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The Department of Commerce shall investigate complaints against local service providers with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 12. Minnesota Statutes 2024, section 237.762, subdivision 5, is amended to read:

Subd. 5. **Income-neutral change.** Other than as authorized in this subdivision, an initial alternative regulation plan must not permit income-neutral rate changes for price-regulated services during the plan except as is necessary to implement extended area service or any successor to that service. Any plan must provide that after the rules issued pursuant to section 237.16 are adopted, rates for price-regulated services may be increased, as approved by the commission, to the extent necessary to carry out the purpose of those rules. ~~However, rate increases, if any, for those services must be incorporated with a universal service fund so that the effective rate for the customers of those services does not increase during the first three years of the plan.~~

Sec. 13. **REPEALER.**

Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, and 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, and 3; 237.75; 237.766; 237.768; 237.772; and 237.775, are repealed."

Amend the title as follows:

Page 1, line 3, delete "infrastructure and railroad crossings" and insert "facilities and property"

Correct the title numbers accordingly

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 4057, A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2024, sections 3.9215, subdivision 4; 3.9741, subdivision 1; 13.202, subdivision 11; 13.3806, subdivision 22; 13.461, subdivision 7a; 13.55, subdivision 1; 13.825, subdivision 2; 34.02; 43A.34, subdivision 3; 52.09, subdivision 2; 60D.18, subdivision 5; 62A.318, subdivision 5; 65A.35, subdivision 5; 65B.133, subdivision 1; 65B.15, subdivision 1; 66A.16, subdivision 2; 80E.13; 115.48, subdivision 2; 115A.28, subdivision 2; 118A.09, subdivision 3; 120B.234, subdivision 2; 120B.303, subdivision 1; 121A.15, subdivisions 3b, 11; 121A.425, subdivision 1; 124D.03, subdivision 3; 124D.094, subdivision 2; 124D.096; 124D.59, subdivision 2; 125A.76, subdivision 2f; 126C.05, subdivision 1; 126C.17, subdivision 9; 126C.40, subdivision 5; 135A.15, subdivision 1; 136A.031, subdivision 3; 136A.1241, subdivision 2; 136A.829, subdivision 3; 136A.84, subdivision 1; 142A.03, subdivision 32; 142A.05; 142A.604, subdivision 2; 142B.01, subdivision 8; 142B.03, subdivisions 1, 2; 142B.05, subdivisions 7, 8; 142B.10, subdivision 1; 142B.12, subdivision 4; 142B.41, subdivision 3; 142D.08, subdivisions 5, 6; 142D.20, subdivision 2; 142D.32, subdivision 2; 142E.16, subdivision 2; 142G.22, subdivision 1; 142G.25; 142G.40, subdivision 1; 142G.57, subdivisions 2, 4; 144E.28, subdivision 8; 145.882, subdivision 5a; 145.8821; 148B.59; 148F.165, subdivision 2; 148F.205, subdivision 5; 148F.2051; 151.72, subdivision 2; 152.29, subdivision 5; 157.22; 169.223, subdivision 4; 169.99, subdivision 1; 181.211, subdivision 10; 204B.06, subdivision 9; 211B.04, subdivision 3; 214.06, subdivision 1a; 216B.16, subdivisions 6b, 6c; 216B.2411, subdivisions 1, 2; 216B.2425, subdivision 7; 216B.2427, subdivisions 1, 2; 216C.437, subdivision 19; 216I.06, subdivision 2; 240A.03, subdivision 6; 245A.03, subdivisions 6, 7; 245A.07, subdivision 2a; 245D.03, subdivision 2; 245F.03; 245G.11, subdivision 1; 245G.22, subdivision 6; 253B.02,

subdivision 4c; 256.017, subdivision 2; 256.043, subdivision 1; 256.9657, subdivisions 1a, 3; 256.975, subdivisions 7d, 9; 256B.04, subdivision 15; 256B.051, subdivision 7; 256B.0624, subdivision 4; 256B.0658; 256B.0911, subdivision 29; 256B.15, subdivision 1h; 256B.196, subdivision 2; 256B.1973, subdivision 1; 256B.431, subdivision 17d; 256B.69, subdivision 16; 256B.77, subdivisions 4, 5; 256B.85, subdivisions 7b, 20; 256D.01, subdivisions 1, 1e, 2; 256D.02, subdivision 1; 256D.03, subdivision 1; 256D.04; 256D.045; 256D.05, subdivision 8; 256D.06, subdivision 7; 256D.07; 256D.16; 256F.10, subdivisions 6, 7; 256I.04, subdivision 1; 256I.05, subdivision 1c; 256K.10, subdivision 3; 256S.21, subdivision 3; 257.05, subdivision 3; 257.0755, subdivision 3; 259.41, subdivision 1; 259.83, subdivision 1; 260.67, subdivision 2; 260C.001, subdivision 1; 260C.4411, subdivision 1; 260C.4412; 260E.17, subdivision 2; 260E.33, subdivision 6a; 260E.35, subdivision 3; 275.011, subdivisions 1, 2; 290.01, subdivision 19; 290.0132, subdivision 32; 290.095, subdivision 11; 295.50, subdivision 4; 295.81, subdivision 1; 296A.06, subdivision 1; 297A.9915, subdivision 5; 297I.20, subdivisions 1, 3; 298.75, subdivision 2; 309.531, subdivision 2; 321.1109; 325F.071, subdivision 1; 327B.04, subdivision 8; 332.30; 336.7-209; 336.9-317; 352.01, subdivision 2a; 353D.07, subdivision 5; 353G.18, subdivision 2; 353G.19, subdivision 6; 356.47, subdivision 3; 363A.07, subdivision 4; 363A.08, subdivision 4; 424A.05, subdivision 5; 424B.13, subdivisions 5, 6; 424B.22, subdivisions 7, 8; 458D.08; 462A.07, subdivision 20; 469.174, subdivision 10; 473.121, subdivision 5a; 473.164; 473.4057, subdivision 7; 473.755, subdivision 4; 473J.12, subdivision 2; 473J.13, subdivision 3; 491A.03, subdivision 4; 504B.361, subdivision 1; 518.10, subdivision 1; 518.175, subdivision 6; 518A.40, subdivision 1; 518A.41, subdivision 1; 518A.51; 518A.56, subdivision 11; 518C.613; 609.232, subdivision 11; 611A.37, subdivision 1; 611A.372; 624.7192; Minnesota Statutes 2025 Supplement, sections 13.46, subdivisions 2, 4; 65B.05; 120B.117, subdivision 4; 124F.01, subdivision 2; 136A.054; 142G.01, subdivision 3; 148.6404; 148.6408, subdivision 2; 161.14, subdivision 109; 161.45, subdivision 4; 168.012, subdivision 1; 168A.01, subdivisions 18, 19, 20; 171.301, subdivision 1; 216B.1622, subdivision 2; 245A.04, subdivision 1; 245A.191; 245C.08, subdivision 1; 253B.10, subdivision 1; 254B.0507, subdivision 2; 256B.055, subdivision 12; 256B.0615, subdivision 1; 256B.0616, subdivision 1; 256B.0924, subdivision 6; 256B.0943, subdivision 9; 256B.761, subdivision 2; 257.0769, subdivision 1; 260.65; 297I.20, subdivision 7; 299C.061, subdivision 1; 353D.07, subdivision 2; 357.021, subdivision 1a; 423A.022, subdivision 2; 424A.015, subdivision 4; 473.4465, subdivision 2; 580.07, subdivisions 1, 2; Laws 2023, chapter 1, section 22, as amended; repealing Minnesota Statutes 2024, sections 13.461, subdivision 16a; 137.50, subdivision 5; 142E.50, subdivisions 1, 4, 7; 256.9756, subdivision 3; 256B.092, subdivision 4b; 256R.50, subdivision 6; 257E.10, subdivision 11; 272.02, subdivision 31; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 289A.60, subdivision 15; 297I.15, subdivision 2; 383B.1511; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.565; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.596; 473.598; 473.599; 473.5995; 473.76; 473.763; 477A.18; 480.011; 504B.345, subdivision 2; Laws 2024, chapter 79, article 1, section 20; Laws 2025, chapter 21, sections 56; 57.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 4075, A bill for an act relating to public safety; establishing a uniform procedure for imposition, implementation, and oversight of firearm restrictions resulting from certain criminal convictions and judicial orders; amending Minnesota Statutes 2024, sections 260C.201, subdivision 3; 518B.01, subdivisions 6, 14; 609.2242, subdivision 3; 609.749, subdivision 8; 629.715, subdivision 2; Minnesota Statutes 2025 Supplement, sections 260C.141, subdivision 1; 518B.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 518B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2025 Supplement, section 260C.141, subdivision 1, is amended to read:

Subdivision 1. **Who may file; required form.** (a) Any reputable person, including but not limited to any agent of the commissioner of children, youth, and families, having knowledge of a child in this state or of a child who is a resident of this state, who appears to be in need of protection or services or neglected and in foster care, may petition the juvenile court in the manner provided in this section.

(b) A petition for a child in need of protection filed by an individual who is not a county attorney or an agent of the commissioner of children, youth, and families shall be filed on a form developed by the state court administrator and provided to court administrators. Copies of the form may be obtained from the court administrator in each county. The court administrator shall review the petition before it is filed to determine that it is completed. The court administrator may reject the petition if it does not indicate that the petitioner has contacted the responsible social services agency.

An individual may file a petition under this subdivision without seeking internal review of the responsible social services agency's decision. The court shall determine whether there is probable cause to believe that a need for protection or services exists before the matter is set for hearing. If the matter is set for hearing, the court administrator shall notify the responsible social services agency by sending notice to the county attorney.

The petition must contain:

(1) a statement of facts that would establish, if proven, that there is a need for protection or services for the child named in the petition;

(2) a statement that petitioner has reported the circumstances underlying the petition to the responsible social services agency, and protection or services were not provided to the child;

(3) a statement whether there are existing juvenile or family court custody orders or pending proceedings in juvenile or family court concerning the child;

(4) a statement of the relationship of the petitioner to the child and any other parties; ~~and~~

(5) a statement whether the petitioner has inquired of the parent or parents of the child, the child, and relatives about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10~~.~~; and

(6) a description, to the best of the petitioner's knowledge, of the types and locations of any firearms believed by the petitioner to be possessed by the abusing party or otherwise in the home of the child, if the abusing party lives with the child.

The court may not allow a petition to proceed under this paragraph if it appears that the sole purpose of the petition is to modify custody between the parents. A court may not dismiss a petition if the petitioner does not provide a description of firearms or the locations of firearms owned by the respondent as required in clause (6).

Sec. 2. Minnesota Statutes 2024, section 260C.201, subdivision 3, is amended to read:

Subd. 3. **Domestic child abuse.** (a) If the court finds that the child is a victim of domestic child abuse, as defined in section 260C.007, subdivision 13, it may order any of the following dispositions of the case in addition to or as alternatives to the dispositions authorized under subdivision 1:

(1) restrain any party from committing acts of domestic child abuse;

(2) exclude the abusing party from the dwelling which the family or household members share or from the residence of the child;

(3) on the same basis as is provided in chapter 518, establish temporary visitation with regard to minor children of the adult family or household members;

(4) on the same basis as is provided in chapter 518 or 518A, establish temporary support or maintenance for a period of 30 days for minor children or a spouse;

(5) provide counseling or other social services for the family or household members; or

(6) order the abusing party to participate in treatment or counseling services.

Any relief granted by the order for protection shall be for a fixed period not to exceed one year.

(b) No order excluding the abusing party from the dwelling may be issued unless the court finds that:

(1) the order is in the best interests of the child or children remaining in the dwelling;

(2) a remaining adult family or household member is able to care adequately for the child or children in the absence of the excluded party; and

(3) the local welfare agency has developed a plan to provide appropriate social services to the remaining family or household members.

(c) Upon a finding that the remaining parent is able to care adequately for the child and enforce an order excluding the abusing party from the home and that the provision of supportive services by the responsible social services agency is no longer necessary, the responsible social services agency may be dismissed as a party to the proceedings. Orders entered regarding the abusing party remain in full force and effect and may be renewed by the remaining parent as necessary for the continued protection of the child for specified periods of time, not to exceed one year.

(d) An order granting relief that was issued after a hearing of which the abusing party received actual notice and at which the abusing party had the opportunity to participate, shall prohibit the abusing party from possessing firearms for the length the order is in effect if the order (1) restrains the abusing party from harassing, stalking, or threatening the child or restrains the abusing party from engaging in other conduct that would place the child in reasonable fear of bodily injury, and (2) includes a finding that the abusing party represents a credible threat to the physical safety of the child or prohibits the abusing party from using, attempting to use, or threatening to use physical force against the child. The order shall inform the abusing party of that party's prohibited status. Except as provided in paragraph ~~(f)~~ (e), the court shall order the abusing party to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. An abusing party may not transfer firearms to a third party who resides with the abusing party. If an abusing party makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the abusing party a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return~~

~~the transferred firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to an abusing party shall comply with state and federal law. If an abusing party permanently transfers the abusing party's firearms to a law enforcement agency, the agency is not required to compensate the abusing party and may charge the abusing party a reasonable processing fee. A law enforcement agency is not required to accept an abusing party's firearm under this paragraph.~~ as provided for in section 518B.03 and direct the abusing party to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of an abusing party's permit to carry or permit to purchase, the abusing party must surrender the permits to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the abusing party surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(e) An abusing party who is ordered to transfer firearms under paragraph (d) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the abusing party permanently transferred the abusing party's firearms to the third party or agreeing to temporarily store the abusing party's firearms until such time as the abusing party is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the abusing party to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the abusing party gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the abusing party. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the abusing party, date of transfer, and the serial number, make, and model of all transferred firearms. The abusing party shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(f)~~ (e) When a court issues an order containing a firearms restriction provided for in paragraph (d), the court shall determine by a preponderance of evidence if an abusing party poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the abusing party's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the abusing party's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the abusing party, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with the requirements for affidavits or proofs of transfer established in paragraph (e). The agency shall file all affidavits or proofs of transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (d) and (e) as if accepting transfer from the abusing party. If the law enforcement agency does not receive written notice from the abusing party within three business days, the agency may charge a reasonable fee to store the abusing party's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the abusing party be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 3. Minnesota Statutes 2025 Supplement, 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 (28), 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 describe, to the best of the petitioner's knowledge, the types and locations of any firearms believed by the petitioner to be possessed by the respondent. A court may not dismiss a petition if the petitioner does not provide a description of firearms or the locations of firearms owned by the respondent.

~~(e)~~ (f) 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.

~~(f)~~ (g) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

~~(g)~~ (h) The court shall advise a petitioner under paragraph ~~(f)~~ (g) 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.

~~(h)~~ (i) The court shall advise a petitioner under paragraph ~~(f)~~ (g) 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.

~~(i)~~ (j) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

~~(j)~~ (k) 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.

~~(k)~~ (l) The court shall advise the petitioner of the right to request supervised parenting time, as provided in section 518.175, subdivision 1a.

Sec. 4. Minnesota Statutes 2024, section 518B.01, subdivision 6, is amended to read:

Subd. 6. **Relief by court.** (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) exclude the abusing party from a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order;

(4) award temporary custody or establish temporary parenting time with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. In addition to the primary safety considerations, the court may consider particular best interest factors that are found to be relevant to the temporary custody and parenting time award. Findings under section 257.025, 518.17, or 518.175 are not required with respect to the particular best interest factors not considered by the court. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted parenting time, the court shall condition or restrict parenting time as to time, place, duration, or supervision, or deny parenting time entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and parenting time shall in no way delay the issuance of an order for protection granting other relief provided for in this section. The court must not enter a parenting plan under section 518.1705 as part of an action for an order for protection;

(5) on the same basis as is provided in chapter 518 or 518A, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518A;

(6) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

(7) order the abusing party to participate in treatment or counseling services, including requiring the abusing party to successfully complete a domestic abuse counseling program or educational program under section 518B.02;

(8) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(9) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;

(10) order the abusing party to have no contact with the petitioner whether in person, by telephone, mail, or electronic mail or messaging, through a third party, or by any other means;

(11) order the abusing party to pay restitution to the petitioner;

(12) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation;

(13) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or other law enforcement or corrections officer as provided by this section;

(14) direct the care, possession, or control of a pet or companion animal owned, possessed, or kept by the petitioner or respondent or a child of the petitioner or respondent; and

(15) direct 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) Any relief granted by the order for protection shall be for a period not to exceed two years, except when the court determines a longer period is appropriate. When a referee presides at the hearing on the petition, the order granting relief becomes effective upon the referee's signature.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2) or (3), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

(g) An order granting relief shall prohibit the abusing party from possessing firearms for the length the order is in effect if the order (1) restrains the abusing party from harassing, stalking, or threatening the petitioner or restrains the abusing party from engaging in other conduct that would place the petitioner in reasonable fear of bodily injury, and (2) includes a finding that the abusing party represents a credible threat to the physical safety of the petitioner or prohibits the abusing party from using, attempting to use, or threatening to use physical force against the petitioner. The order shall inform the abusing party of that party's prohibited status. Except as provided in paragraph ~~(i)~~ (h), the court shall order the abusing party to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. An abusing party may not transfer firearms to a third party who resides with the abusing party. If an abusing party makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the abusing party a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return the transferred firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to an abusing party shall comply with state and federal law. If an abusing party permanently transfers the abusing party's firearms to a law enforcement agency, the agency is not required to compensate the abusing party and may charge~~

~~the abusing party a reasonable processing fee. A law enforcement agency is not required to accept an abusing party's firearm under this paragraph.~~ as provided for in section 518B.03 and direct the person to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of an abusing party's permit to carry or permit to purchase, the abusing party must surrender the permits to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the abusing party surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(h) An abusing party who is ordered to transfer firearms under paragraph (g) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the abusing party permanently transferred the abusing party's firearms to the third party or agreeing to temporarily store the abusing party's firearms until such time as the abusing party is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the abusing party to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the abusing party gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the abusing party. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the abusing party, date of transfer, and the serial number, make, and model of all transferred firearms. The abusing party shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(i)~~ (h) When a court issues an order containing a firearms restriction provided for in paragraph (g), the court shall determine by a preponderance of evidence if an abusing party poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the abusing party's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the abusing party's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the abusing party, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with the requirements for affidavits or proofs of transfer established in paragraph (h). The agency shall file all affidavits or proofs of transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (g) and (h) as if accepting transfer from the abusing party. If the law enforcement agency does not receive written notice from the abusing party within three business days, the agency may charge a reasonable fee to store the abusing party's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the abusing party be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 5. Minnesota Statutes 2024, section 518B.01, subdivision 14, is amended to read:

Subd. 14. **Violation of an order for protection.** (a) A person who violates an order for protection issued by a judge or referee is subject to the penalties provided in paragraphs (b) to (d).

(b) Except as otherwise provided in paragraphs (c) and (d), whenever an order for protection is granted by a judge or referee or pursuant to a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province, and the respondent or person to be restrained knows of the existence of the order, violation of the order for protection is a misdemeanor. Upon a misdemeanor conviction

under this paragraph, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A violation of an order for protection shall also constitute contempt of court and be subject to the penalties provided in chapter 588.

(c) A person is guilty of a gross misdemeanor who violates this subdivision within ten years of a previous qualified domestic violence-related offense conviction or adjudication of delinquency. Upon a gross misdemeanor conviction under this paragraph, the defendant must be sentenced to a minimum of ten days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(d) A person is guilty of a felony and 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, if the person violates this subdivision:

(1) within ten years of the first of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency; or

(2) while possessing a dangerous weapon, as defined in section 609.02, subdivision 6.

Upon a felony conviction under this paragraph in which the court stays imposition or execution of sentence, the court shall impose at least a 30-day period of incarceration as a condition of probation. The court also shall order that the defendant participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for felony convictions.

(e) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section or a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The probable cause required under this paragraph includes probable cause that the person knows of the existence of the order. If the order has not been served, the officer shall immediately serve the order whenever reasonably safe and possible to do so. An order for purposes of this subdivision, includes the short-form order described in subdivision 8a. When the order is first served upon the person at a location at which, under the terms of the order, the person's presence constitutes a violation, the person shall not be arrested for violation of the order without first being given a reasonable opportunity to leave the location in the presence of the peace officer. A person arrested under this paragraph shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(f) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed $10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the

county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(g) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section or a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation, or in the county in which the alleged violation occurred, if the petitioner and respondent do not reside in this state. The court also shall refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (b), (c), or (d).

(h) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 or a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province, and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year, except when the court determines a longer fixed period is appropriate.

(i) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by paragraph (e).

(j) When a person is convicted under paragraph (b) or (c) of violating an order for protection and the court determines that the person used a firearm in any way during commission of the violation, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant whether and for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this paragraph. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(k) Except as otherwise provided in paragraph (j), when a person is convicted under paragraph (b) or (c) of violating an order for protection, the court shall inform the defendant that the defendant is prohibited from possessing ~~a pistol~~ firearms for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the ~~pistol~~ firearms possession prohibition or the gross misdemeanor penalty to that defendant.

(l) Except as otherwise provided in paragraph (j), a person is not entitled to possess ~~a pistol~~ firearms if the person has been convicted under paragraph (b) or (c) after August 1, 1996, of violating an order for protection, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section. Property rights may not be abated but access may be restricted by the courts. A person who possesses a ~~pistol~~ firearm in violation of this paragraph is guilty of a gross misdemeanor.

(m) If the court determines that a person convicted under paragraph (b) or (c) of violating an order for protection owns or possesses a firearm and used it in any way during the commission of the violation, it shall order that the firearm and all other firearms possessed by the person be summarily forfeited under section 609.5316, subdivision 3.

Sec. 6. **[518B.03] TRANSFER OF FIREARMS FROM CERTAIN PROHIBITED PERSONS.**

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

(b) "Local law enforcement agency" means the organized full-time police department of the municipality in which the subject resides or the county sheriff if there is no such police department.

(c) "Subject" means a person who is subject to a court order prohibiting the person from possessing firearms issued pursuant to section 260C.201, 518B.01, 609.2242, 609.749, or 629.715.

(d) "Transfer order" is a court order requiring that a person transfer any firearms that the person possesses to comply with a firearms prohibition imposed pursuant to section 260C.201, 518B.01, 609.2242, 609.749, or 629.715.

Subd. 2. **Transfer of firearms; documentation; storage; disposal.** (a) Firearm transfers ordered pursuant to section 260C.201, 518B.01, 609.2242, 609.749, or 629.715 must comply with this section.

(b) Upon issuance of a transfer order, the court must order the subject to transfer any firearms the person possesses or owns as soon as reasonably practicable to a federally licensed firearms dealer, the local law enforcement agency, or a third party who may lawfully receive them. The court shall impose a deadline for the subject to comply with the transfer order that takes into account the subject's custody status and the location of the subject's firearms. Transfers may be permanent or temporary except that transfers required pursuant to a lifetime firearms ban are permanent. A temporary firearm transfer only entitles the receiving party to possess the firearm and does not transfer ownership or title. If the subject elects to transfer the subject's firearms to the local law enforcement agency, the agency must accept the transfer. The subject may not transfer firearms to a third party who resides with the subject.

(c) A transfer to a third party must be completed at the local law enforcement agency and either supervised by a peace officer employed by the agency or conducted in a safe zone provided by the agency that is under video surveillance. The subject shall provide at least 24 hours' notice to the local law enforcement agency of the date and time of a transfer to a third party. The subject must document the date and time of a third-party transfer on the required proof of transfer. If the third-party transfer is supervised by a peace officer, the supervising peace officer must sign the subject's proof of transfer as an attestation that the transfer was completed.

(d) A federally licensed firearms dealer or law enforcement agency may charge the subject a reasonable fee to store temporarily transferred firearms. A person who does not pay the storage fee for a temporary firearm transfer within 60 days of the firearm being transferred is considered to have abandoned their firearm. Law enforcement agencies must establish policies for disposal of permanently transferred and abandoned firearms. These policies must require that the subject be notified via certified mail prior to disposal of abandoned firearms. A dealer must notify the subject via certified mail prior to disposing of an abandoned firearm. A law enforcement agency may destroy all permanently transferred and abandoned firearms. For temporary firearm transfers under this subdivision, a law enforcement agency or federally licensed firearms dealer must exercise due care to preserve the quality and function of the transferred firearms. If a subject permanently transfers the person's firearms to a law enforcement agency, the agency is not required to compensate the subject and may charge the subject a reasonable processing fee.

(e) A law enforcement agency or federally licensed firearms dealer that accepted a temporary firearm transfer under this section must return the firearms to the subject upon request after the expiration of the prohibiting time period, provided the subject is not otherwise prohibited from possessing firearms under state or federal law. The

return of temporarily transferred firearms to a subject must comply with state and federal law. A third party may not return to the subject a firearm transferred under this section until the subject is eligible to possess firearms, and the return transfer must comply with section 624.7134.

(f) A law enforcement agency shall be immune from civil or criminal liability for any damage or deterioration of firearms, ammunition, or weapons stored or transported pursuant to this section. This paragraph shall not apply if the damage or deterioration occurred as a result of recklessness, gross negligence, or intentional misconduct by the law enforcement agency.

Subd. 3. **Proof of transfer; filing.** (a) The subject must file proof of transfer or a declaration of nonpossession as provided for in this subdivision.

(b) A law enforcement agency, federally licensed firearms dealer, or third party accepting transfer of a firearm pursuant to this section must provide proof of transfer to the subject. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and must include the name of the subject, the date of transfer, and the serial number, manufacturer, and model of all transferred firearms. If transfer is made to a federally licensed firearms dealer, the subject must, within two business days after being served with the order, file a copy of the proof of transfer with the court and attest that all firearms owned or possessed at the time of the order have been transferred in accordance with this section and that the person currently does not possess any firearms.

(c) If a firearms transfer is made to a third party under this section, the third party must sign an affidavit under oath before a notary public either acknowledging that the subject permanently transferred the subject's firearms to the person or agreeing to temporarily store the subject's firearms until the subject is legally permitted to possess firearms. To the extent possible, the affidavit must indicate the serial number, make, and model of all firearms transferred by the subject to the person. The subject must file the affidavit with the court.

(d) If the subject claims not to own or possess firearms, the subject must file a declaration of nonpossession with the court attesting that, at the time of the order, the subject neither owned nor possessed any firearms and that the subject currently neither owns nor possesses any firearms.

(e) Upon written notice from the subject, a law enforcement agency that temporarily possesses the subject's firearms must transfer the firearms to a federally licensed firearms dealer or a third party who is eligible to possess firearms and does not reside with the subject. Before a law enforcement agency transfers a firearm under this paragraph, the agency must require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit and proof of transfer based on the requirements under this subdivision. The agency must file all affidavits and proofs of transfer with the court within two business days of receiving the documents. A federally licensed firearms dealer who accepts a firearm transfer pursuant to this paragraph must comply with subdivision 2, as if accepting transfer directly from the subject.

(f) Except as provided for in paragraph (e), the subject is responsible for filing with the court all affidavits, proofs of transfer, and declarations of nonpossession, and the court must make the documents confidential.

(g) Nothing in this section limits the authority of a chief law enforcement officer, county attorney, city attorney, or a family or household member from petitioning a court to impose an extreme risk protection order prohibiting the subject from possessing firearms under sections 624.7171 to 624.7178.

Subd. 4. **Compliance hearing; arrest; sanctions; protections.** (a) To ensure that all firearms have been transferred, the court issuing a transfer order must hold a compliance hearing within ten business days of issuing the order. The court may waive the hearing requirement on its own motion or upon request of either the prosecutor or subject if the court determines that the subject has complied with the transfer order, including filing of a proof of transfer or affidavit of transfer, or otherwise submitted a credible declaration of nonpossession.

(b) If the court finds that there is probable cause to believe that the subject is not in compliance with a transfer order or fails to appear at a compliance hearing, the court must take appropriate action under the circumstances, including but not limited to issuing a warrant for the subject's arrest and notifying the chief law enforcement officer of the local law enforcement agency of the subject's failure to comply with the court's order. The court may also initiate a contempt proceeding under section 588.01, subdivision 3, to impose remedial sanctions on its own motion, or upon the motion of the prosecutor, and issue an order requiring the subject to appear, with additional sanctions for failure to appear; provide proof of compliance with the order; and show cause why the subject should not be held in contempt of court.

(c) The act of voluntarily surrendering firearms, providing testimony relating to the surrender of firearms, or complying with a transfer order, and any information directly or indirectly derived from such act or testimony, may not be used against the subject in any criminal prosecution, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the transfer order. Every transfer order must contain language consistent with the statutory immunity set forth in this subdivision.

(d) If a subject invokes the privilege against self-incrimination at the time of issuance of the order or at a subsequent hearing, the court may afford the subject an opportunity to demonstrate that compliance with a transfer order would expose that person to a realistic threat of self-incrimination in a subsequent or pending criminal proceeding. The court may conduct this portion of the proceeding ex parte or receive evidence in camera, without the presence of the prosecuting attorney.

(e) If the subject establishes such a realistic threat of self-incrimination regarding possible criminal prosecution that is not addressed by the immunity from prosecution set forth in paragraph (c), the court must afford the relevant prosecuting attorney an opportunity to offer an immunity agreement tailored specifically to the firearms implicated by the potential self-incrimination. To achieve the purposes of this section, any immunity offered must be narrowly tailored to address any realistic threat of self-incrimination while ensuring that any other firearms not implicated are surrendered.

(f) Any immunity from prosecution beyond the immunity set forth in paragraph (c) may only be extended by the prosecuting attorney. If the prosecuting attorney declines to extend immunity such that the subject cannot fully comply with the transfer order without facing a realistic threat of self-incrimination, the court's order must provide for the surrender of every firearm and firearm permit that does not implicate a realistic threat of self-incrimination. The order's prohibition on firearms possession remains in effect.

(g) Nothing in this section shall be interpreted as diminishing the requirement that the subject fully comply with the order issued by the court. The burden remains on the subject to prove compliance.

Sec. 7. Minnesota Statutes 2024, section 609.2242, subdivision 3, is amended to read:

Subd. 3. **Domestic assaults; firearms.** (a) When a person is convicted of a violation of this section or section 609.221, 609.222, 609.223, 609.224, or 609.2247, the court shall determine and make written findings on the record as to whether:

(1) the assault was committed against a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault, it shall order that the firearm and all other firearms possessed by the person be summarily forfeited under section 609.5316, subdivision 3.

(c) When a person is convicted of assaulting a family or household member and is determined by the court to have used a firearm in any way during commission of the assault, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this paragraph. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(d) Except as otherwise provided in paragraph (c), when a person is convicted of a violation of this section or section 609.224 and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a firearm for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(e) Except as otherwise provided in paragraph (c), a person is not entitled to possess ~~a pistol~~ firearms if the person has been convicted after August 1, 1992, or ~~a firearm~~ if a person has been convicted on or after August 1, 2014, of domestic assault under this section or assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section or section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a firearm in violation of this paragraph is guilty of a gross misdemeanor.

(f) Except as otherwise provided in paragraphs (b) and ~~(h)~~ (g), when a person is convicted of a violation of this section or section 609.221, 609.222, 609.223, 609.224, or 609.2247 and the court determines that the assault was against a family or household member, the court shall order the defendant to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary, unless the court prohibits the person from possessing a firearm for the remainder of the person's life under paragraph (c). A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. A defendant may not transfer firearms to a third party who resides with the defendant. If a defendant makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the defendant a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified by certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return the transferred firearms to the person upon request after the expiration of the prohibiting time period imposed under this subdivision, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to a person shall comply with state and federal law. If a defendant permanently transfers the defendant's firearms to a law enforcement agency, the agency is not required to compensate the defendant and may charge the defendant a reasonable processing fee. A law enforcement agency is not required to accept a person's firearm under this paragraph. The court shall order that the person surrender all permits to carry and purchase firearms to the sheriff.~~ as provided for in section 518B.03 and direct the person to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of a defendant's permit to carry or permit to purchase, the defendant must surrender the permit to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the defendant surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(g) A defendant who is ordered to transfer firearms under paragraph (f) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the defendant permanently transferred the defendant's firearms to the third party or agreeing to temporarily store the defendant's firearms until such time as the defendant is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the defendant to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the defendant gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the defendant. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the defendant, date of transfer, and the serial number, make, and model of all transferred firearms. The defendant shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(h)~~ (g) When a person is convicted of a violation of this section or section 609.221, 609.222, 609.223, 609.224, or 609.2247, and the court determines that the assault was against a family or household member, the court shall determine by a preponderance of the evidence if the person poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the person's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the defendant's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the person, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with the requirements for affidavits or proofs of transfer established in paragraph (g). The agency shall file all affidavits or proofs of transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (f) and (g) as if accepting transfer from the defendant. If the law enforcement agency does not receive written notice from the defendant within three business days, the agency may charge a reasonable fee to store the defendant's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 8. Minnesota Statutes 2024, section 609.749, subdivision 8, is amended to read:

Subd. 8. **Harassment; stalking; firearms.** (a) When a person is convicted of harassment or stalking under this section and the court determines that the person used a firearm in any way during commission of the crime, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this paragraph. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(b) Except as otherwise provided in paragraph (a), when a person is convicted of harassment or stalking under this section, the court shall inform the defendant that the defendant is prohibited from possessing a firearm for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(c) Except as otherwise provided in paragraph (a), a person is not entitled to possess ~~a pistol~~ firearms if the person has been convicted after August 1, 1996, of harassment or stalking under this section, or ~~to possess a firearm~~ if the person has been convicted on or after August 1, 2014, of harassment or stalking under this section, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section. Property rights may not be abated but access may be restricted by the courts. A person who possesses a firearm in violation of this paragraph is guilty of a gross misdemeanor.

(d) If the court determines that a person convicted of harassment or stalking under this section owns or possesses a firearm and used it in any way during the commission of the crime, it shall order that the firearm and all other firearms possessed by the person be summarily forfeited under section 609.5316, subdivision 3.

(e) Except as otherwise provided in paragraphs (d) and ~~(g)~~ (f), when a person is convicted of harassment or stalking under this section, the court shall order the defendant to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. A defendant may not transfer firearms to a third party who resides with the defendant. If a defendant makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the defendant a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return the transferred firearms to the person upon request after the expiration of the prohibiting time period imposed under this subdivision, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to a defendant shall comply with state and federal law. If a defendant permanently transfers the defendant's firearms to a law enforcement agency, the agency is not required to compensate the defendant and may charge the defendant a reasonable processing fee. A law enforcement agency is not required to accept a person's firearm under this paragraph. The court shall order that the person surrender all permits to carry and purchase firearms to the sheriff.~~ as provided for in section 518.03 and direct the person to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of a defendant's permit to carry or permit to purchase, the defendant must surrender the permit to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the defendant surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(f) A defendant who is ordered to transfer firearms under paragraph (e) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the defendant permanently transferred the defendant's firearms to the third party or agreeing to temporarily store the defendant's firearms until such time as the defendant is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the defendant to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the defendant gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the defendant. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the defendant, date of transfer, and the serial number, make, and model of all transferred firearms. The defendant shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(g)~~ (f) When a person is convicted of harassment or stalking under this section, the court shall determine by a preponderance of the evidence if the person poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the person's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the defendant's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the person, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with the requirements for affidavits or proofs of transfer established in paragraph (f). The agency shall file all affidavits or proofs of transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (e) and (f) as if accepting transfer from the defendant. If the law enforcement agency does not receive written notice from the defendant within three business days, the agency may charge a reasonable fee to store the defendant's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 9. Minnesota Statutes 2024, section 629.715, subdivision 2, is amended to read:

Subd. 2. **Surrender of firearms.** (a) The judge may order as a condition of release that the person surrender to the local law enforcement agency all firearms, destructive devices, or dangerous weapons owned or possessed by the person, and may not live in a residence where others possess firearms. If ordered to surrender firearms, the person must also surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of a person's permit to carry or permit to purchase, the person must surrender the permit to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the person surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

(b) Except as otherwise provided for in this section, the surrender of firearms under this section must comply with section 518B.03.

(c) Any firearm, destructive device, or dangerous weapon surrendered under this subdivision shall be inventoried and retained, with due care to preserve its quality and function, by the local law enforcement agency, and must be returned to the person upon the person's acquittal, when charges are dismissed, or if no charges are filed. If the person is convicted, the firearm must be returned when the court orders the return or when the person is discharged from probation and restored to civil rights.

(d) If the person is convicted of a designated offense as defined in section 609.531, the firearm is subject to forfeiture as provided under that section.

(e) This condition may be imposed in addition to any other condition authorized by rule 6.02 of the Rules of Criminal Procedure."

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

The report was adopted.

Koznick and Tabke from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 4102, A bill for an act relating to public safety; modifying requirements for State Patrol compensation study; amending Minnesota Statutes 2024, section 299D.03, subdivisions 2, 2a; Laws 2024, chapter 104, article 1, section 2.

Reported the same back with the following amendments:

Page 2, lines 2 and 10, strike "and benefits"

Page 2, line 3, after "thereafter" insert "through 2037"

Page 2, line 4, strike "and benefit"

Page 2, line 17, strike everything after the period

Page 2, strike lines 18 and 19

Page 2, line 21, strike the colon

Page 2, line 22, strike "(1)"

Page 2, line 23, strike "; and" and insert a period

Page 2, strike lines 24 to 27

Page 2, line 28, delete the new language and strike everything after "of" and insert "each year in which a survey is required under paragraph (a) and 2039."

Page 3, lines 5 and 8, delete "and benefits"

Page 3, after line 10, insert:

"Sec. 3. **[299D.14] VOLUNTEER CHAPLAINS.**

Subdivision 1. **Volunteers permitted.** The commissioner or the chief supervisor of the State Patrol may recruit, train, and accept, without regard to personnel laws or rules, the services of individuals without compensation as volunteer chaplains for or in aid of activities and programs under this chapter.

Subd. 2. **Incidental expenses.** The chief supervisor may provide for the incidental expenses of a volunteer chaplain, including transportation, lodging, and subsistence.

Subd. 3. **Application of law.** Except as otherwise provided in this section, a volunteer chaplain is not a state employee and is not subject to the provisions of law relating to state employment, including but not limited to those governing hours of work, rates of compensation, leave, unemployment benefits, and state employee benefits."

Page 3, line 13, reinstate the stricken "and expires January 1," and before the period, insert "2039"

Page 3, line 14, reinstate the stricken "but before January 1," and before the period, insert "2039"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "allowing for volunteer chaplains within the state patrol;"

Correct the title numbers accordingly

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4118, A bill for an act relating to financial institutions; authorizing credit unions to obtain insurance from a credit union share insurance provider; regulating credit union share guaranty corporations; amending Minnesota Statutes 2024, sections 52.063, subdivision 3; 52.24, subdivisions 1, 2, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2024, section 11A.24, subdivision 4, is amended to read:

Subd. 4. **Other obligations.** (a) The state board is authorized to invest funds in:

(1) bankers acceptances and deposit notes if issued by a United States bank that is rated in the highest four quality categories by a nationally recognized rating agency;

(2) certificates of deposit if issued by a United States bank or savings institution that is rated in the top four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies, or certificates of deposits issued by a credit union in an amount within the limit of the insurance coverage provided by the National Credit Union Administration or an approved credit union share guaranty corporation;

(3) commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency;

(4) mortgage securities and asset-backed securities if rated in the top four quality categories by a nationally recognized rating agency;

(5) repurchase agreements and reverse repurchase agreements if collateralized with letters of credit or securities authorized in this section;

(6) guaranteed investment contracts if issued by an insurance company or a bank that is rated in the top four quality categories by a nationally recognized rating agency or alternative guaranteed investment contracts if the underlying assets comply with the requirements of this section;

(7) savings accounts if fully insured by a federal agency; and

(8) guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual insurance company.

(b) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the state board under paragraph (a), clause (2).

(c) In addition to investments authorized by paragraph (a), clause (4), the state board is authorized to purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The state board may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The state board may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the state board comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The state board may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

Sec. 2. Minnesota Statutes 2024, section 17.59, subdivision 4, is amended to read:

Subd. 4. **Deposit and use of checkoff fees.** Checkoff fees collected pursuant to sections 17.51 to 17.69 shall be deposited in a federally insured depository institution or an institution insured by an approved credit union share guaranty corporation and shall be disbursed by the officers and employees approved by the council for the necessary expenses incurred in the administration of sections 17.51 to 17.69. Checkoff fees collected shall be used exclusively for the purpose collected and not to support or oppose a political party or a candidate for nomination or election to a public office.

Sec. 3. Minnesota Statutes 2024, section 46A.01, subdivision 10, is amended to read:

Subd. 10. **~~Federally~~ Insured depository financial institution.** " ~~Federally~~ Insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits or deposits insured by an approved credit union share guaranty corporation.

Sec. 4. Minnesota Statutes 2024, section 52.001, is amended by adding a subdivision to read:

Subd. 1a. **Approved credit union share guaranty corporation.** "Approved credit union share guaranty corporation" means a corporation that insures share accounts in compliance with section 52.24, subdivision 1a, and has been approved by the commissioner.

Sec. 5. Minnesota Statutes 2024, section 52.04, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the Federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. ~~However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration.~~ The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policyholder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by

share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life, accident and health, and involuntary unemployment insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118A or section 9.031 or other applicable law and to receive deposits of trust funds provided that either the provider or the beneficial owner of the funds is a member of the credit union accepting the deposit;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149A.97, subdivision 5, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(i) the loan is secured by a first lien;

(ii) the board of directors approves the sale;

(iii) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(A) identify the loan or loans covered by the agreement;

(B) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(C) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(D) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(E) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(F) provide for loan status reports;

(G) state the terms and conditions under which the agreement may be terminated or modified; and

(iv) the sale is without recourse or repurchase unless the agreement:

(A) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(B) allows the seller to repurchase at its discretion; or

(C) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(i) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(ii) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; ~~and~~

(iii) the member is clearly notified, as applicable, of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions; and

(iv) the member is clearly notified, as applicable, of the fact that approved credit union share guaranty corporation coverage is limited to funds held in deposit, share or share certificate accounts of the approved credit union share guaranty corporation-insured credit unions;

(26) to impose reasonable charges for the services it provides to its members;

(27) to impose financing charges and reasonable late charges in the event of default on loans, and recover reasonable costs and expenses, including, but not limited to, actual collection costs and attorneys' fees incurred both before and after judgment, incurred in the collection of sums due, if provided for in the note or agreement signed by the borrower;

(28) to acquire, lease, hold, assign, pledge, sell, or otherwise dispose of interests in a loan or groups of loans other than a self-replenishing line of credit; and

(29) to conduct savings promotion raffles in the manner and subject to the requirements set forth in section 609.761, subdivision 6."

Page 2, after line 2, insert:

"Sec. 7. Minnesota Statutes 2024, section 52.09, subdivision 2, is amended to read:

Subd. 2. **Particular duties.** The directors shall manage the affairs of the credit union and shall:

(1) act on applications for membership. This power may be delegated to a membership chair who serves at the pleasure of the board of directors and is subject to its rules. An application must contain a certification signed by the membership chair or a member of the board showing the basis of membership;

(2) determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semiannual, or annual basis, and may be paid on all deposits whether or not the deposits have been withdrawn during the interest period. Interest may be computed on a daily basis;

(3) fix the amount of the surety bond required of all officers and employees handling money;

(4) declare dividends and transmit to the members recommended amendments to the bylaws;

(5) fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

(6) limit the number of shares and deposits which may be owned by a member, not to exceed ten percent of the outstanding shares and deposits, or $2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a comaker, guarantor, or endorser to ten percent of outstanding shares and deposits. The ten percent share and deposit limitation is not applicable to the Minnesota corporate credit union, or to credit unions insured by the National Credit Union Administration or an approved credit union share guaranty corporation;

(7) have charge of investments including loans to members. If a credit committee is established pursuant to section 52.08 or clause (13), then the credit committee shall have charge of loans to members;

(8) fix the salaries of the treasurer and other employees, which must be on a fixed monthly or annual basis, in dollars (not percentage);

(9) designate the depository institution in which the funds of the credit union will be deposited;

(10) authorize the officers of the credit union to borrow money from any source, as provided in section 52.15;

(11) with the permission of the commissioner of commerce, suspend any member of the credit committee or supervisory committee if it deems this action necessary to the proper conduct of the credit union, and call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members;

(12) provide financial assistance to the supervisory committee in carrying out its audit responsibilities;

(13) if the bylaws so provide and no credit committee has been elected pursuant to section 52.08, appoint a credit manager or a credit committee of not less than three members; and

(14) to establish different classes of shares."

Page 3, after line 2, insert:

"Sec. 11. Minnesota Statutes 2024, section 53B.28, subdivision 10, is amended to read:

Subd. 10. **~~Federally~~ Insured depository financial institution.** " ~~Federally~~ Insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits or deposits insured by an approved credit union share guaranty corporation.

Sec. 12. Minnesota Statutes 2024, section 53B.29, is amended to read:

53B.29 EXEMPTIONS.

This chapter does not apply to:

(1) an operator of a payment system, to the extent the operator of a payment system provides processing, clearing, or settlement services between or among persons exempted by this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers;

(2) a person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided that:

(i) there exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(ii) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(iii) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee;

(3) a person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided that the entity:

(i) is properly licensed or exempt from licensing requirements under this chapter;

(ii) provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(iii) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient;

(4) the United States; a department, agency, or instrumentality of the United States; or an agent of the United States;

(5) money transmission by the United States Postal Service or by an agent of the United States Postal Service;

(6) a state; county; city; any other governmental agency, governmental subdivision, or instrumentality of a state; or the state's agent;

(7) ~~a federally~~ an insured depository financial institution; bank holding company; office of an international banking corporation; foreign bank that establishes a federal branch pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended or recodified from time to time; corporation organized pursuant to the Bank Service Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from time to time; or corporation organized under the Edge Act, United States Code, title 12, sections 611 to 633, as amended or recodified from time to time;

(8) electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

(9) a board of trade designated as a contract market under the federal Commodity Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from time to time; or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of its operation as or for a board;

(10) a registered futures commission merchant under the federal commodities laws, to the extent of the registered futures commission merchant's operation as a merchant;

(11) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer;

(12) an individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements under this chapter when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) a person expressly appointed as a third-party service provider to or agent of an entity exempt under clause (7), solely to the extent that:

(i) the service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent;

(14) a payroll processing services provider; or

(15) a person exempt by regulation or order if the commissioner finds that (i) the exemption is in the public interest, and (ii) the regulation of the person is not necessary for the purposes of this chapter.

Sec. 13. Minnesota Statutes 2024, section 53B.38, is amended to read:

53B.38 APPLICATION FOR LICENSE.

(a) An applicant for a license must apply in a form and in a medium as prescribed by the commissioner. The application must state or contain, as applicable:

(1) the legal name and residential and business addresses of the applicant and any fictitious or trade name used by the applicant in conducting business;

(2) a list of any criminal convictions of the applicant and any material litigation in which the applicant has been involved in the ten-year period next preceding the submission of the application;

(3) a description of any money transmission previously provided by the applicant and the money transmission that the applicant seeks to provide in this state;

(4) a list of the applicant's proposed authorized delegates and the locations in this state where the applicant and the applicant's authorized delegates propose to engage in money transmission;

(5) a list of other states in which the applicant is licensed to engage in money transmission and any license revocations, suspensions, or other disciplinary action taken against the applicant in another state;

(6) information concerning any bankruptcy or receivership proceedings affecting the licensee or a person in control of a licensee;

(7) a sample form of contract for authorized delegates, if applicable;

(8) a sample form of payment instrument or stored value, as applicable;

(9) the name and address of any ~~federally~~ insured depository financial institution through which the applicant plans to conduct money transmission; and

(10) any other information the commissioner or NMLS reasonably requires with respect to the applicant.

(b) If an applicant is a corporation, limited liability company, partnership, or other legal entity, the applicant must also provide:

(1) the date of the applicant's incorporation or formation and state or country of incorporation or formation;

(2) if applicable, a certificate of good standing from the state or country in which the applicant is incorporated or formed;

(3) a brief description of the structure or organization of the applicant, including any parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly traded;

(4) the legal name, any fictitious or trade name, all business and residential addresses, and the employment, as applicable, in the ten-year period next preceding the submission of the application of each key individual and person in control of the applicant;

(5) a list of any criminal convictions and material litigation in which a person in control of the applicant that is not an individual has been involved in the ten-year period preceding the submission of the application;

(6) a copy of audited financial statements of the applicant for the most recent fiscal year and for the two-year period next preceding the submission of the application or, if the commissioner deems acceptable, certified unaudited financial statements for the most recent fiscal year or other period acceptable to the commissioner;

(7) a certified copy of unaudited financial statements of the applicant for the most recent fiscal quarter;

(8) if the applicant is a publicly traded corporation, a copy of the most recent report filed with the United States Securities and Exchange Commission under section 13 of the federal Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or recodified from time to time;

(9) if the applicant is a wholly owned subsidiary of:

(i) a corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed under section 13 of the Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or recodified from time to time; or

(ii) a corporation publicly traded outside the United States, a copy of similar documentation filed with the regulator of the parent corporation's domicile outside the United States;

(10) the name and address of the applicant's registered agent in this state; and

(11) any other information the commissioner reasonably requires with respect to the applicant.

(c) A nonrefundable application fee of $4,000 must accompany an application for a license under this section.

(d) The commissioner may: (1) waive one or more requirements of paragraphs (a) and (b); or (2) permit an applicant to submit other information in lieu of the required information.

Sec. 14. Minnesota Statutes 2024, section 53B.62, subdivision 1, is amended to read:

Subdivision 1. **Certain investments permissible.** The following investments are permissible under section 53B.61:

(1) cash, including demand deposits, savings deposits, and funds in accounts held for the benefit of the licensee's customers in a federally insured depository financial institution; and cash equivalents, including ACH items in transit to the licensee and ACH items or international wires in transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-owned locations, debit card or credit card funded transmission receivables owed by any bank, or money market mutual funds rated AAA or the equivalent from any eligible rating service;

(2) certificates of deposit or senior debt obligations of: (i) an insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act, United States Code, title 12, section 1813, as amended or recodified from time to time, or as defined under the federal Credit Union Act, United States Code, title 12, section 1781, as amended or recodified from time to time; or (ii) a credit union insured through an approved credit union share guaranty corporation;

(3) an obligation of the United States or a commission, agency, or instrumentality thereof; an obligation that is guaranteed fully as to principal and interest by the United States; or an obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

(4) the full drawable amount of an irrevocable standby letter of credit, for which the stated beneficiary is the commissioner, that stipulates that the beneficiary need only draw a sight draft under the letter of credit and present the sight draft to obtain funds up to the letter of credit amount within seven days of presentation of the items required by subdivision 2, paragraph (c); and

(5) one hundred percent of the surety bond or deposit provided for under section 53B.60 that exceeds the average daily money transmission liability in Minnesota.

Sec. 15. Minnesota Statutes 2024, section 53B.62, subdivision 2, is amended to read:

Subd. 2. **Letter of credit; requirements.** (a) A letter of credit under subdivision 1, clause (4), must:

(1) be issued by ~~a federally~~ an insured depository financial institution, a foreign bank that is authorized under federal law to maintain a federal agency or federal branch office in a state or states, or a foreign bank that is authorized under state law to maintain a branch in a state that: (i) bears an eligible rating or whose parent company bears an eligible rating; and (ii) is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks, credit unions, and trust companies;

(2) be irrevocable, unconditional, and indicate that it is not subject to any condition or qualifications outside of the letter of credit;

(3) not contain reference to any other agreements, documents, or entities, or otherwise provide for any security interest in the licensee; and

(4) contain an issue date and expiration date, and expressly provide for automatic extension without a written amendment, for an additional period of one year from the present or each future expiration date, unless the issuer of the letter of credit notifies the commissioner in writing by certified or registered mail or courier mail or other receipted means, at least 60 days before any expiration date, that the irrevocable letter of credit will not be extended.

(b) In the event of any notice of expiration or nonextension of a letter of credit issued under paragraph (a), clause (4), the licensee must demonstrate to the satisfaction of the commissioner, 15 days before the letter or credit's expiration, that the licensee maintains and will maintain permissible investments in accordance with section 53B.61, paragraph (a), upon the expiration of the letter of credit. If the licensee is not able to do so, the commissioner may draw on the letter of credit in an amount up to the amount necessary to meet the licensee's requirements to maintain permissible investments in accordance with section 53B.61, paragraph (a). Any draw under this paragraph must be offset against the licensee's outstanding money transmission obligations. The drawn funds must be held in trust by the commissioner or the commissioner's designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations.

(c) The letter of credit must provide that the issuer of the letter of credit must honor, at sight, a presentation made by the beneficiary to the issuer of the following documents on or before the expiration date of the letter of credit:

(1) the original letter of credit, including any amendments; and

(2) a written statement from the beneficiary stating that any of the following events have occurred:

(i) the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization;

(ii) the filing of a petition by or against the licensee for receivership, or the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization;

(iii) the seizure of assets of a licensee by a commissioner of any other state pursuant to an emergency order issued in accordance with applicable law, on the basis of an action, violation, or condition that has caused or is likely to cause the insolvency of the licensee; or

(iv) the beneficiary has received notice of expiration or nonextension of a letter of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible investments in accordance with section 53B.61, paragraph (a), upon the expiration or nonextension of the letter of credit.

(d) The commissioner may designate an agent to serve on the commissioner's behalf as beneficiary to a letter of credit, provided the agent and letter of credit meet requirements the commissioner establishes. The commissioner's agent may serve as agent for multiple licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable amount for the purposes of subdivision 1, clause (4), and this subdivision are assigned to the commissioner.

(e) The commissioner is authorized to participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including but not limited to services provided by the NMLS and State Regulatory Registry, LLC.

Sec. 16. Minnesota Statutes 2024, section 60A.091, is amended to read:

60A.091 DEFINITION; QUALIFIED UNITED STATES FINANCIAL INSTITUTION.

For purposes of sections 60A.092 and 60A.093, "qualified United States financial institution" means an institution that:

(1) is organized or, in the case of a United States office of a foreign banking organization, licensed, under the laws of the United States or any state;

(2) is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies; and

(3) is a member of the Federal Deposit Insurance Corporation~~,~~ or the National Credit Union Administration, or is insured by an approved credit union share guaranty corporation.

Sec. 17. Minnesota Statutes 2024, section 67A.231, is amended to read:

67A.231 DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.

The directors of any township mutual insurance company may authorize the treasurer to invest any of its funds and accumulations in:

(a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States agency and instrumentality bonds, debentures, or obligations;

(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state;

(c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state;

(d) Bonds or other interest bearing obligations, payable from revenues, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest four quality categories used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency; or obligations of a United States agency or instrumentality that have been rated in one of the two highest categories established by the Securities Valuation Office of the National Association of Insurance Commissioners. A company may not invest more than 20 percent of its admitted assets in the obligations of any one corporation. This is not applicable to bonds or other interest bearing obligations in default as to principal;

(e) Investments in the obligations stated in paragraphs (a), (b), (c), and (d), may be made either directly or in the form of securities of, or other interests in, an investment company registered under the federal Investment Company Act of 1940. Investment company shares authorized pursuant to this subdivision shall not exceed 20 percent of the company's surplus. These obligations must be carried at the lower of cost or market on the annual statement filed with the commissioner and adjusted to market on an annual basis;

(f) Loans upon improved and unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by property insurance policies payable to and held by the security holder;

(g) Real estate, including land, buildings and fixtures, located in this state and used primarily as home office space for the insurance company;

(h) Demand or time deposits or savings accounts in ~~federally~~ insured depositories located in any state to the extent that the deposit or investment is insured by the Federal Deposit Insurance Corporation ~~or,~~ the National Credit Union Administration, or an approved credit union share guaranty corporation. An additional deposit not to exceed 50 percent of the township mutual insurance company's policyholder surplus may be located in these depositories if covered by private deposit insurance written by an insurer licensed by the Department of Commerce;

(i) Guarantee fund certificates of a mutual insurer which reinsures the business of the township mutual insurance company. The commissioner may by rule limit the amount of guarantee fund certificates which the township mutual insurance company may purchase and this limit may be a function of the size of the township mutual insurance company;

(j) Up to $1,500 in stock of an insurer which issues directors and officers liability insurance to township mutual insurance company directors and officers;

(k) Up to $10,000 in shares of stock of the National Association of Mutual Insurance Companies bank, subject to the commissioner's approval; and

(l) Overnight repurchase agreements with the depository that handles the company's primary accounts under paragraph (h). The repurchase agreements must be collateralized by securities that the company is otherwise authorized to invest in under this section. The securities must have an aggregate market value of at least 105 percent of the total amount invested under the repurchase agreement.

Sec. 18. Minnesota Statutes 2024, section 79A.22, subdivision 7, is amended to read:

Subd. 7. **Investments.** (a) Any securities purchased by the common claims fund shall be in such denominations and with dates of maturity to ensure securities may be redeemable at sufficient time and in sufficient amounts to meet the fund's current and long-term liabilities.

(b) Cash assets of the self-insurers' fund may be invested as provided in section 60A.11 for a casualty insurance company, provided that investment in real estate of or indebtedness from a member company or affiliates is prohibited. In addition, investment in the following is allowed:

(1) savings accounts or certificates of deposit in a duly chartered commercial bank located within the state of Minnesota and insured through the Federal Deposit Insurance Corporation;

(2) share accounts or savings certificates in a duly chartered savings association or savings bank located within the state of Minnesota and insured through the Federal Deposit Insurance Corporation;

(3) direct obligations of the United States Treasury, such as notes, bonds, or bills;

(4) a bond or security issued by the state of Minnesota and backed by the full faith and credit of the state;

(5) a credit union where the employees of the self-insurer are members, if the credit union is located in Minnesota and insured through the National Credit Union Administration or an approved credit union share guaranty corporation; or

(6) real estate, common stock, preferred stock, or corporate bonds listed on the New York, American Stock Exchange or NASDAQ Stock Market, so long as these investments are not issued by any member company or affiliate and the total in all other allowable categories make up at least 75 percent of the total required in the common claims fund.

Sec. 19. Minnesota Statutes 2024, section 80A.41, is amended to read:

80A.41 SECTION 102; DEFINITIONS.

In this chapter, unless the context otherwise requires:

(1) "Accredited investor" means an accredited investor as the term is defined in Rule 501(a) of Regulation D adopted pursuant to the Securities Act of 1933.

(2) "Administrator" means the commissioner of commerce.

(3) "Agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this chapter.

(4) "Bank" means:

(A) a banking institution organized under the laws of the United States;

(B) a member bank of the Federal Reserve System;

(C) any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of Public Law 87-722 (12 U.S. C. Section 92a), and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading this chapter; and

(D) a receiver, conservator, or other liquidating agent of any institution or firm included in subparagraph (A), (B), or (C).

(5) "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include:

(A) an agent;

(B) an issuer;

(C) a depository institution; provided such activities are conducted in accordance with such rules as may be adopted by the administrator;

(D) an international banking institution; or

(E) a person excluded by rule adopted or order issued under this chapter.

(6) "Depository institution" means:

(A) a bank; or

(B) a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, an approved credit union share guaranty corporation, or a successor authorized by federal law. The term does not include:

(i) an insurance company or other organization primarily engaged in the business of insurance;

(ii) a Morris Plan bank; or

(iii) an industrial loan company that is not an "insured depository institution" as defined in section 3(c)(2) of the Federal Deposit Insurance Act, United States Code, title 12, section 1813(c)(2), or any successor federal statute.

(7) "Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

(8) "Federal covered security" means a security that is, or upon completion of a transaction will be, a covered security under Section 18(b) of the Securities Act of 1933 (15 U.S. C. Section 77r(b)) or rules or regulations adopted pursuant to that provision.

(9) "Filing" means the receipt under this chapter of a record by the administrator or a designee of the administrator.

(10) "Fraud," "deceit," and "defraud" are not limited to common law deceit.

(11) "Guaranteed" means guaranteed as to payment of all principal and all interest.

(12) "Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity:

(A) a depository institution or international banking institution;

(B) an insurance company;

(C) a separate account of an insurance company;

(D) an investment company as defined in the Investment Company Act of 1940;

(E) a broker-dealer registered under the Securities Exchange Act of 1934;

(F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company;

(G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company;

(H) a trust, if it has total assets in excess of $10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans;

(I) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S. C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $10,000,000;

(J) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S. C. Section 681(c)) with total assets in excess of $10,000,000;

(K) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-2(a)(22)) with total assets in excess of $10,000,000;

(L) a federal covered investment adviser acting for its own account;

(M) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A);

(N) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6);

(O) any other person, other than an individual or a private fund, of institutional character with total assets in excess of $10,000,000 not organized for the specific purpose of evading this chapter; or

(P) any other person specified by rule adopted or order issued under this chapter.

(13) "Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

(14) "Insured" means insured as to payment of all principal and all interest.

(15) "International banking institution" means an international financial institution of which the United States is a member and whose securities are exempt from registration under the Securities Act of 1933.

(16) "Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation. The term does not include:

(A) an investment adviser representative;

(B) a lawyer, accountant, engineer, or teacher whose performance of investment advice is solely incidental to the practice of the person's profession;

(C) a broker-dealer or its agents whose performance of investment advice is solely incidental to the conduct of business as a broker-dealer and that does not receive special compensation for the investment advice;

(D) a publisher of a bona fide newspaper, news magazine, or business or financial publication of general and regular circulation;

(E) a federal covered investment adviser;

(F) a bank or savings institution;

(G) any other person that is excluded by the Investment Advisers Act of 1940 from the definition of investment adviser; or

(H) any other person excluded by rule adopted or order issued under this chapter.

(17) "Investment adviser representative" means an individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing. The term does not include an individual who:

(A) performs only clerical or ministerial acts;

(B) is an agent whose performance of investment advice is solely incidental to the individual acting as an agent and who does not receive special compensation for investment advisory services;

(C) is employed by or associated with a federal covered investment adviser, unless the individual has a "place of business" in this state as that term is defined by rule adopted under Section 203A of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-3a) and is

(i) an "investment adviser representative" as that term is defined by rule adopted under Section 203A of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-3a); or

(ii) not a "supervised person" as that term is defined in Section 202(a)(25) of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-2(a)(25)); or

(D) is excluded by rule adopted or order issued under this chapter.

(18) "Issuer" means a person that issues or proposes to issue a security, subject to the following:

(A) The issuer of a voting trust certificate, collateral trust certificate, certificate of deposit for a security, or share in an investment company without a board of directors or individuals performing similar functions is the person performing the acts and assuming the duties of depositor or manager pursuant to the trust or other agreement or instrument under which the security is issued.

(B) The issuer of an equipment trust certificate or similar security serving the same purpose is the person by which the property is or will be used or to which the property or equipment is or will be leased or conditionally sold or that is otherwise contractually responsible for assuring payment of the certificate.

(C) The issuer of a fractional undivided interest in an oil, gas, or other mineral lease or in payments out of production under a lease, right, or royalty is the owner of an interest in the lease or in payments out of production under a lease, right, or royalty, whether whole or fractional, that creates fractional interests for the purpose of sale.

(19) "Nonissuer transaction" or "nonissuer distribution" means a transaction or distribution not directly or indirectly for the benefit of the issuer.

(20) "Offer to purchase" includes an attempt or offer to obtain, or solicitation of an offer to sell, a security or interest in a security for value. The term does not include a tender offer that is subject to Section 14(d) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78n(d)).

(21) "Person" means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

(22) "Place of business" of a broker-dealer, an investment adviser, or a federal covered investment adviser means:

(A) an office at which the broker-dealer, investment adviser, or federal covered investment adviser regularly provides brokerage or investment advice or solicits, meets with, or otherwise communicates with customers or clients; or

(B) any other location that is held out to the general public as a location at which the broker-dealer, investment adviser, or federal covered investment adviser provides brokerage or investment advice or solicits, meets with, or otherwise communicates with customers or clients.

(23) "Predecessor Act" means Minnesota Statutes 2002, sections 80A.01 to 80A.31.

(24) "Price amendment" means the amendment to a registration statement filed under the Securities Act of 1933 or, if an amendment is not filed, the prospectus or prospectus supplement filed under the Securities Act of 1933 that includes a statement of the offering price, underwriting and selling discounts or commissions, amount of proceeds, conversion rates, call prices, and other matters dependent upon the offering price.

(25) "Principal place of business" of a broker-dealer or an investment adviser means the executive office of the broker-dealer or investment adviser from which the officers, partners, or managers of the broker-dealer or investment adviser direct, control, and coordinate the activities of the broker-dealer or investment adviser.

(26) Only for purposes of calculating the number of purchasers under section 80A.46, clauses (1) and (14), "purchaser" does not include:

(A) any relative, spouse, or relative of the spouse of a purchaser who has the same principal residence as the purchaser;

(B) any trust or estate in which a purchaser and any of the persons related to him as specified in Regulation D, Rule 501(e)(1)(i) or (e)(1)(ii) collectively have more than 50 percent of the beneficial interest (excluding contingent interests);

(C) any corporation or other organization of which a purchaser and any of the persons related to the purchaser as specified in Regulation D, Rule 501(e)(1)(i) or (e)(1)(ii) collectively are beneficial owners of more than 50 percent of the equity securities (excluding directors' qualifying shares) or equity interests; and

(D) any accredited investor.

A corporation, partnership, or other entity must be counted as one purchaser. If, however, that entity is organized for the specific purpose of acquiring the securities offered and is not an accredited investor, then each beneficial owner of equity securities or equity interests in the entity shall count as a separate purchaser for all provisions of Regulation D, except to the extent provided in Regulation D, Rule 501(e)(1).

A noncontributory employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 shall be counted as one purchaser where the trustee makes all investment decisions for the plan.

(27) "Record," except in the phrases "of record," "official record," and "public record," means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(28) "Sale" includes every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value.

(A) A security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value.

(B) A gift of assessable stock is considered to involve an offer and sale.

(C) A sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer and a sale or offer of a security that gives the holder a present or future right or privilege to convert the security into another security of the same or another issuer, are each considered to include an offer of the other security.

(29) "Securities and Exchange Commission" means the United States Securities and Exchange Commission.

(30) "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

(A) includes both a certificated and an uncertificated security;

(B) does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed or variable sum of money either in a lump sum or periodically for life or other specified period;

(C) does not include an interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974;

(D) includes as an "investment contract," among other contracts, an interest in a limited partnership and a limited liability company and an investment in a viatical settlement or similar agreement; and

(E) does not include any equity interest of a closely held corporation or other entity with not more than 35 holders of the equity interest of such entity offered or sold pursuant to a transaction in which 100 percent of the equity interest of such entity is sold as a means to effect the sale of the business of the entity if the transaction has been negotiated on behalf of all purchasers and if all purchasers have access to inside information regarding the entity before consummating the transaction.

(31) "Self-regulatory organization" means a national securities exchange registered under the Securities Exchange Act of 1934, a national securities association of broker-dealers registered under the Securities Exchange Act of 1934, a clearing agency registered under the Securities Exchange Act of 1934, or the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934.

(32) "Sign" means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach or logically associate with the record an electronic symbol, sound, or process.

(33) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(34) "Associated with" with respect to a person means any partner, officer, director, manager, or employee of such person or any person occupying a similar status or performing similar functions or any person directly or indirectly controlling, controlled by, or in common control with, such person, but does not include a person whose primary duties are ministerial or clerical. "Employee" includes an independent contractor who performs advisory functions on behalf of an investment adviser.

(35) "Private fund" means an issuer that would be an investment company as defined in Section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that act.

(36) "Private fund adviser" means an investment adviser whose only advisory clients are one or more qualifying private funds.

(37) "Qualifying private fund" means a private fund that meets the definition of a qualifying private fund in SEC Rule 203(m)-1, Code of Federal Regulations, title 17, section 275.203(m)-1.

(38) "3(c)(1) fund" means a qualifying private fund that is eligible for the exclusion from the definition of an investment company under section 3(c)(1) of the Investment Company Act of 1940, United States Code, title 15, section 80a-3(c)(1).

(39) "Venture capital fund" means a private fund that meets the definition of a venture capital fund in SEC Rule 203(1)-1, Code of Federal Regulations, title 17, section 275.203(1)-1.

(40) "Funding portal" means any person acting as a funding portal as defined in section 3(a)(80) of the Securities Exchange Act of 1934, United States Code, title 15, section 78c(a)(80), and any rule adopted or order issued thereunder.

Sec. 20. Minnesota Statutes 2024, section 80A.45, is amended to read:

80A.45 SECTION 201; EXEMPT SECURITIES.

The following securities are exempt from the requirements of sections 80A.49 through 80A.54 and 80A.71:

(1) a security, including a revenue obligation or a separate security as defined in Rule 131 (17 C.F.R. 230.131) adopted under the Securities Act of 1933, issued, insured, or guaranteed by the United States; by a state; by a political subdivision of a state; by a public authority, agency, or instrumentality of one or more states; by a political subdivision of one or more states or by a person controlled or supervised by and acting as an instrumentality of the United States under authority granted by Congress; or a certificate of deposit for any of the foregoing;

(2) a security issued, insured, or guaranteed by a foreign government with which the United States maintains diplomatic relations, or any of its political subdivisions, if the security is recognized as a valid obligation by the issuer, insurer, or guarantor;

(3) a security issued by and representing or that will represent an interest in or a direct obligation of, or be guaranteed by:

(A) an international banking institution;

(B) a banking institution organized under the laws of the United States; a member bank of the Federal Reserve System; or a depository institution a substantial portion of the business of which consists or will consist of receiving deposits or share accounts that are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, an approved credit union share guaranty corporation, or a successor authorized by federal law or exercising fiduciary powers that are similar to those permitted for national banks under the authority of the Comptroller of Currency pursuant to Section 1 of Public Law 87-722 (12 U.S. C. Section 92a); or

(C) any other depository institution, unless by rule or order the administrator proceeds under section 80A.48;

(4) a security issued by and representing an interest in, or a debt of, or insured or guaranteed by, an insurance company authorized to do business in this state;

(5) a security issued or guaranteed by a railroad, other common carrier, public utility, or public utility holding company that is:

(A) regulated in respect to its rates and charges by the United States or a state;

(B) regulated in respect to the issuance or guarantee of the security by the United States, a state, Canada, or a Canadian province or territory; or

(C) a public utility holding company registered under the Public Utility Holding Company Act of 1935 or a subsidiary of such a registered holding company within the meaning of that act;

(6) a federal covered security specified in Section 18(b)(1) of the Securities Act of 1933 (15 U.S. C. Section 77r(b)(1)) or by rule adopted under that provision or a security listed or approved for listing on another securities market specified by rule under this chapter; a put or a call option contract; a warrant; a subscription right on or with respect to such securities; or an option or similar derivative security on a security or an index of securities or foreign currencies issued by a clearing agency registered under the Securities Exchange Act of 1934 and listed or designated for trading on a national securities exchange, a facility of a national securities exchange, or a facility of a national securities association registered under the Securities Exchange Act of 1934 or an offer or sale, of the underlying security in connection with the offer, sale, or exercise of an option or other security that was exempt when the option or other security was written or issued; or an option or a derivative security designated by the Securities and Exchange Commission under Section 9(b) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78i(b));

(7) a security issued by a person organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, social, athletic, or reformatory purposes, or as a chamber of commerce, and not for pecuniary profit, no part of the net earnings of which inures to the benefit of a private stockholder or other person, or a security of a company that is excluded from the definition of an investment company under Section 3(c)(10)(B) of the Investment Company Act of 1940 (15 U.S. C. Section 80a-3(c)(10)(B)); except that with respect to the offer or sale, an issuer of such a note, bond, debenture, or other evidence of indebtedness is required to file a notice specifying the material terms of the proposed offer or sale and copies of any proposed sales and advertising literature to be used together with the fee required by section 80A.65 and provided that this exemption shall be effective if the administrator does not disallow the exemption in writing within 15 days following the date of the notice filing.

Sec. 21. Minnesota Statutes 2024, section 82.77, subdivision 1, is amended to read:

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

(b) "Closing agent" has the meaning given in section 82.55, subdivision 4.

(c) "Collected funds" means funds deposited, finally settled, and credited to the closing agent's escrow account.

(d) " ~~Federally~~ Insured financial institution" means an institution in which monetary deposits are insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Administration, or an approved credit union share guaranty corporation.

(e) "Lender" means a person who makes residential mortgage loans including a person who engages in table funding. "Lender" does not include any organization described in section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, if the organization is exempt from tax under section 501(a) of the Internal Revenue Code of 1986, as amended. "Lender" does not include a state or any political subdivision of a state.

(f) "Qualified loan funds" means funds in one of the following forms:

(1) lawful money of the United States;

(2) wired funds when unconditionally held by the closing agent;

(3) cashier's checks, certified checks, bank money orders, or teller's checks issued by a federally insured financial institution and unconditionally held by the closing agent; and

(4) United States treasury checks, Federal Reserve Bank checks, federal home loan bank checks, and state of Minnesota warrants.

(g) "Table funding" means a closing or settlement at which a mortgage loan is funded by a lender by a contemporaneous advance of mortgage loan funds and an assignment of the mortgage loan to the lender advancing the funds.

Sec. 22. Minnesota Statutes 2024, section 118A.04, subdivision 5, is amended to read:

Subd. 5. **Time deposits.** Funds may be invested in time deposits that are fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, an approved credit union share guaranty corporation, or bankers acceptances of United States banks.

Sec. 23. Minnesota Statutes 2024, section 123B.14, subdivision 3, is amended to read:

Subd. 3. **Official depository.** (a) The treasurer shall deposit the funds of the district in the official depository.

(b) In addition to the authority for deposit of district money pursuant to paragraph (a) or other provisions of this chapter, the treasurer may deposit district money in the official depository in accordance with the following conditions:

(1) The official depository is authorized by the treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the district with respect to the money redeposited into such accounts.

(2) The full amount of the redeposited district funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or,~~ the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the official depository shall have had at least five years of general custodial experience.

Sec. 24. Minnesota Statutes 2024, section 142F.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302(3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302(30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.

(c) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

(d) "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 142F.301;

(2) a federal community development credit union;

(3) a women-oriented economic development agency;

(4) a federally recognized Tribal Nation; or

(5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code.

(e) "Financial coach" means a person who:

(1) has completed an intensive financial literacy training workshop that includes curriculum on budgeting to increase savings, debt reduction and asset building, building a good credit rating, and consumer protection;

(2) participates in ongoing statewide family assets for independence in Minnesota (FAIM) network training meetings under FAIM program supervision; and

(3) provides financial coaching to program participants under subdivision 5.

(f) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Administration, or an approved credit union share guaranty corporation.

(g) "Household" means all individuals who share finances and use of a dwelling unit as primary quarters for living and eating separate from other individuals. Sharing finances does not include situations in which a person is living in the same dwelling unit as others without sharing any other financial arrangements.

(h) "Permissible use" means:

(1) postsecondary educational expenses at an eligible educational institution as defined in paragraph (b), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization;

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986;

(5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

(6) contributions to an emergency savings account; and

(7) contributions to a Minnesota 529 savings plan.

Sec. 25. Minnesota Statutes 2024, section 149A.97, subdivision 3a, is amended to read:

Subd. 3a. **Requirements for preneed funeral agreements.** It is unlawful for any person residing or doing business in this state to enter a preneed funeral agreement unless the agreement:

(1) is written in clear, understandable language and printed in a type that is easy to read in size and style;

(2) contains a complete, itemized description of the funeral goods, funeral services, burial site goods, or burial site services selected or purchased, including, when appropriate, manufacturer's name, model numbers, style numbers, and description of the type of material used in construction;

(3) discloses clearly and conspicuously whether the prices of the goods and services selected are guaranteed;

(4) discloses that funding options for a preneed funeral agreement consist of either prepayment to the funeral provider or the purchase of an insurance policy;

(5) discloses whether the funds received from the purchaser are required to be placed in a trust and, if the funds are required to be placed in a trust, provides the following information:

(i) lists the location of the trust account, including the name, address, and telephone number of the institution where the money will be held and any identifying account numbers, the amount of money to be trusted, and the names of the trustees; and

(ii) advises the purchaser as to the disposition of the interest from the trust and as to responsibility for taxes owed on the interest;

(6) contains the names, addresses, and telephone numbers of the Minnesota Department of Health as the regulatory agency for preneed trust accounts and the Minnesota Attorney General's Office as the regulatory agency that handles consumer complaints;

(7) discloses clearly and conspicuously that any person who makes payment under a preneed funeral agreement may cancel the agreement subject to the procedures for cancellation specified in subdivision 6a;

(8) contains the following statement, in boldfaced type and a minimum size of ten points:

"Within 15 calendar days after receipt of any money required to be held in trust, all such money must be deposited in a banking institution, savings association, or credit union, organized under state or federal laws, the accounts of which are insured by an instrumentality of the federal government <u>or an approved credit union share guaranty corporation</u>. The person for whose benefit the money was paid according to this agreement shall be known as the beneficiary; the person or persons who paid the money shall be known as the purchaser; and the funeral provider shall be known as the depositor. The money must be carried in a separate account with the names of the depositor and the purchaser as trustees for the beneficiary.

The preneed arrangement trust shall be considered an asset of the purchaser until the death of the beneficiary. At the death of the beneficiary, the money in the trust shall be considered an asset of the beneficiary's estate, to the extent that the value of the trust exceeds the actual value for the goods and services provided at-need. This does not alter any asset exclusion requirements that exist under federal law. The depositor as trustee must disclose in writing the location of the trust account, including the name and address of the institution where the money is being held and any identifying account numbers, to the beneficiary when the money is deposited and when there are any subsequent changes to the location of the trust account.";

(9) for agreements with revocable trusts, contains the following statement, in boldfaced type and a minimum size of ten points:

"REVOCABLE TRUST:

The preneed arrangement trust being created by the purchaser is revocable. These trust funds, including all principal and accrued interest, are the purchaser's assets. The purchaser may withdraw the principal and accrued interest at any time prior to the death of the beneficiary. At the death of the beneficiary, the funds shall be distributed in their entirety, principal plus accrued interest, with no fees retained by the trustees as administrative fees. The funds shall be distributed for the payment of the at-need funeral goods, funeral services, burial site goods, or burial site services selected, with any excess funds distributed to the beneficiary's estate. At any time before or at the time of the beneficiary's death, the purchaser may transfer the preneed arrangements and related trust funds for use in the payment of funeral goods, funeral services, burial site goods, or burial site services. The purchaser may not be charged any fee in connection with the transfer of a preneed arrangement and trust funds.";

(10) for agreements with irrevocable trusts, contains the following statement, in boldfaced type and a minimum size of ten points:

"IRREVOCABLE TRUST:

A trust created to hold preneed arrangement funds is revocable in its entirety unless specifically limited by the purchaser. The purchaser has chosen to create an irrevocable trust in the amount of $ (insert the dollar amount of the purchaser's irrevocable trust). The revocable portion of this trust fund is limited to that amount that exceeds the allowable Supplemental Security Income asset exclusion used for determining eligibility for public assistance at the time the trust is created. The principal and accrued interest may not be withdrawn from the trust prior to the beneficiary's death, except to the extent that the trust funds exceed the irrevocable trust limitation. At the time of the beneficiary's death, the funds shall be distributed in their entirety, principal plus accrued interest, with no fees retained by the trustees as administrative fees. The funds shall be distributed for the payment of the at-need funeral goods, funeral services, burial site goods, or burial site services selected, with any excess funds distributed to the beneficiary's estate. At any time prior to or at the time of the beneficiary's death, the purchaser may transfer the preneed arrangements and trust funds for use in the payment of funeral goods, funeral services, burial site goods, or burial site services. The purchaser may not be charged any fee in connection with the transfer of a preneed arrangement and trust funds.";

(11) provides that if the particular funeral goods, funeral services, burial site goods, or burial site services specified in the agreement are unavailable at the time of delivery, the funeral provider must furnish goods and services similar in style and at least equal in quality to the material and workmanship of the goods or services specified and that the representative of the beneficiary has the right to choose the goods or services to be substituted; and

(12) contains an itemization of the sale of grave lots, spaces, lawn crypts, niches, or mausoleum crypts separate from all other goods and services selected.

Sec. 26. Minnesota Statutes 2024, section 149A.97, subdivision 5, is amended to read:

Subd. 5. **Deposit of trust funds and disclosures.** Within 15 calendar days after receipt of any money required to be held in trust, all of the money must be deposited in a banking institution, savings or building and loan association, or credit union, organized under state or federal laws, the accounts of which are insured by an instrumentality of the federal government or an approved credit union share guaranty corporation. The money must be carried in a separate account with the name of the depositor and the purchaser as trustees for the beneficiary. The depositor as trustee shall not have power to distribute funds, either principal or interest, from the account until the death of the beneficiary, subject to section 149A.80. For purposes of this section, distribute does not mean

transferring the trust funds to different investment accounts within an institution or between institutions provided that the depositor as trustee does not have sole access to the funds in a negotiable form. This section shall be construed to limit the depositor's access to trust funds, in a negotiable form, prior to the death of a beneficiary. The preneed arrangements trust shall be considered an asset of the purchaser until the death of the beneficiary, whereupon the money shall be considered an asset of the estate of the beneficiary, to the extent that the value of the trust exceeds the actual value for the goods and services provided at-need. The location of the trust account, including the name and address of the institution in which the money is being held and any identifying account numbers, must be disclosed in writing to the beneficiary by the depositor as trustee at the time the money is deposited and when there are any subsequent changes to the location of the trust account. The depositor shall annually report to the beneficiary the amount of funds in the beneficiary's preneed arrangement trust account, including principal and accrued interest. The depositor may arrange for the banking institution, savings or building and loan association, or credit union to issue such reports. Upon the provision of any funeral or burial site goods or services in connection with a preneed arrangement, the depositor shall provide a statement itemizing the goods or services provided and cost of such goods or services and describing the disposition of all funds in the account.

Sec. 27. Minnesota Statutes 2024, section 325K.01, subdivision 12, is amended to read:

Subd. 12. **Financial institution.** "Financial institution" means a national or state-chartered commercial bank or trust company, savings bank, savings association, or credit union authorized to do business in the state of Minnesota and the deposits of which are federally insured or insured by an approved credit union share guaranty corporation.

Sec. 28. Minnesota Statutes 2024, section 354B.25, subdivision 2, is amended to read:

Subd. 2. **Investment options.** (a) The plan administrator shall arrange for the purchase of investment products.

(b) The investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board.

(c) Various investment accounts offered through the Minnesota supplemental investment fund established under section 11A.17 and administered by the State Board of Investment may be included as investment products for the individual retirement account plan. Direct access must also be provided to lower expense and no-load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

(1) savings accounts at ~~federally insured~~ financial institutions insured federally or through an approved credit union share guaranty corporation;

(2) life insurance contracts, fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;

(3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(4) investment options from a firm that is a registered investment advisor under the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(5) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 29. Minnesota Statutes 2024, section 356.001, subdivision 3, is amended to read:

Subd. 3. **Effect of amendments or termination.** (a) If a public plan or fund defined in subdivision 4 is terminated or the plan or fund provisions are amended, no part of the moneys held in the plan or fund may be used for or diverted to any purpose other than the exclusive benefit of the members or their beneficiaries, except as provided in this subdivision.

(b) If a plan or fund is terminated, all affected members have a nonforfeitable interest in their benefits that were accrued and funded to date. The value of the accrued benefits to be credited to the account of each affected member must be calculated as of the date of termination and the funding ratio of the plan or fund must be applied to the accrued benefit of each affected member.

(c) The board of trustees of the plan or fund shall, as soon as administratively feasible following the termination, pay each eligible member or beneficiary on behalf of a member the amount in the member's account in a lump sum. In the case of a member whose whereabouts is unknown, the board shall notify the member at the last known address by certified mail with return receipt requested advising the member of the member's right to a pending distribution. If the member cannot be located in this manner, the board shall establish a custodial account for the member's benefit in a federally insured bank, savings association, or credit union, or a credit union insured by an approved credit union share guaranty corporation, in which the member's account balance must be deposited. If the board receives proof of death of a member that is satisfactory to the board, the account balance must be paid to the beneficiary of the member.

Sec. 30. Minnesota Statutes 2024, section 356.645, is amended to read:

356.645 INVESTMENT OF DEFINED CONTRIBUTION PLANS AND VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATIONS.

The State Board of Investment shall determine the investments to be made available to plan participants in plans defined in sections 352.965, 352.98, and 383B.46 and chapters 352D and 353D and to volunteer firefighters relief associations under chapter 424A. Investments made available to plan participants and relief associations must include at least one or more of the following:

(1) shares in the Minnesota supplemental investment fund established in section 11A.17;

(2) savings accounts in ~~federally insured~~ financial institutions insured federally or by an approved credit union share guaranty corporation;

(3) life insurance contracts, fixed annuity contracts, and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce;

(4) investment options from open-end investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(5) investment options from a firm that is a registered investment adviser under the Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(6) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 31. Minnesota Statutes 2024, section 356A.06, subdivision 6, is amended to read:

Subd. 6. **Limited list of authorized investment securities.** (a) **Authority.** This subdivision specifies the investment authority for a limited list plan. A limited list plan is a covered pension plan that does not:

(1) have pension fund assets with a market value in excess of $1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940, or registered as an investment advisor in accordance with sections 80A.58, and 80A.60, for the investment of at least 60 percent of its pension fund assets, calculated on market value;

(3) use the services of the State Board of Investment for the investment of at least 60 percent of its pension fund assets, calculated on market value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the State Board of Investment for the investment of at least 75 percent of its pension fund assets, calculated on market value.

(b) **Investment agency appointment authority.** The governing board of a covered pension plan may select and appoint investment agencies to act for or on its behalf.

(c) **Savings accounts; similar vehicles.** A limited list plan is authorized to invest in:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation, that is insured by the National Credit Union Administration <u>or an approved credit union share guaranty corporation</u>, or that is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118A.03;

(2) guaranteed investment contracts, limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this paragraph; and

(3) savings accounts, limited to those fully insured by federal agencies.

(d) **Government-backed obligations.** A limited list plan is authorized to invest in governmental obligations as further specified in this paragraph, including bonds, notes, bills, mortgages, and other evidences of indebtedness, if the issue is backed by the full faith and credit of the issuer or if the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which plans are authorized to invest under this paragraph are guaranteed or insured issues of:

(1) the United States, one of its agencies, one of its instrumentalities, or an organization created and regulated by an act of Congress;

(2) the Dominion of Canada or one of its provinces if the principal and interest are payable in United States dollars;

(3) a state or one of its municipalities, political subdivisions, agencies, or instrumentalities; or

(4) any United States government-sponsored organization of which the United States is a member if the principal and interest are payable in United States dollars.

(e) **Corporate obligations.** A limited list plan is authorized to invest in corporate obligations, including bonds, notes, debentures, transportation equipment obligations, or any other longer-term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any of its states, or the Dominion of Canada or any of its provinces if:

(1) the principal and interest are payable in United States dollars; and

(2) the obligations are rated among the top four quality categories by a nationally recognized rating agency.

(f) **Mutual fund authority, limited list authorized assets.** Securities authorized under paragraphs (c) to (e) may be owned directly or through shares in exchange-traded funds, or through open-end mutual funds, or as units of commingled trusts.

(g) **Extended mutual fund authority.** Notwithstanding restrictions in other paragraphs of this subdivision, a limited list plan is authorized to invest the assets of the special fund in exchange-traded funds and open-end mutual funds, if their portfolio investments comply with the type of securities authorized for investment under section 356A.06, subdivision 7, paragraphs (c) to (g). Investments under this paragraph must not exceed 75 percent of the assets of the special fund, not including any money market investments through mutual or exchange-traded funds.

(h) **Supplemental fund authority.** The governing body of a limited list plan may certify special fund assets to the State Board of Investment for investment under section 11A.17.

(i) **Assets mix restrictions.** A limited list plan must conform to the asset mix limitations specified in section 356A.06, subdivision 7.

Sec. 32. Minnesota Statutes 2024, section 356A.06, subdivision 7, is amended to read:

Subd. 7. **Expanded list of authorized investment securities.** (a) **Authority.** A covered pension plan not described by subdivision 6, paragraph (a), is an expanded list plan and shall invest its assets as specified in this subdivision. The governing board of an expanded list plan may select and appoint investment agencies to act for or on its behalf.

(b) **Securities generally; investment forms.** An expanded list plan is authorized to purchase, sell, lend, and exchange the investment securities authorized under this subdivision, including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned directly or through shares in exchange-traded or mutual funds, or as units in commingled trusts, subject to any limitations specified in this subdivision.

(c) **Government obligations.** An expanded list plan is authorized to invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness if the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph are guaranteed or insured issues of:

(1) the United States, one of its agencies, one of its instrumentalities, or an organization created and regulated by an act of Congress;

(2) the Dominion of Canada or one of its provinces if the principal and interest are payable in United States dollars;

(3) a state or one of its municipalities, political subdivisions, agencies, or instrumentalities; and

(4) a United States government-sponsored organization of which the United States is a member if the principal and interest are payable in United States dollars.

(d) **Investment-grade corporate obligations.** An expanded list plan is authorized to invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any of its states, or the Dominion of Canada or any of its provinces if:

(1) the principal and interest are payable in United States dollars; and

(2) the obligations are rated among the top four quality categories by a nationally recognized rating agency.

(e) **Below-investment-grade corporate obligations.** An expanded list plan is authorized to invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories by a nationally recognized rating agency if:

(1) the aggregate value of these obligations does not exceed five percent of the covered pension plan's market value;

(2) the covered pension plan's participation is limited to 50 percent of a single offering subject to this paragraph; and

(3) the covered pension plan's participation is limited to 25 percent of an issuer's obligations subject to this paragraph.

(f) **Other obligations.** (1) An expanded list plan is authorized to invest funds in:

(i) bankers acceptances and deposit notes if issued by a United States bank that is rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit if issued by a United States bank or savings institution rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies, or if issued by a credit union in an amount within the limit of the insurance coverage provided by the National Credit Union Administration or an approved credit union share guaranty corporation;

(iii) commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage securities and asset-backed securities if rated in the top four quality categories by a nationally recognized rating agency;

(v) repurchase agreements and reverse repurchase agreements if collateralized with letters of credit or securities authorized in this section;

(vi) guaranteed investment contracts if issued by an insurance company or a bank that is rated in the top four quality categories by a nationally recognized rating agency or alternative guaranteed investment contracts if the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts if fully insured by a federal agency; and

(viii) guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual insurance company.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), an expanded list plan is authorized to purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(g) **Corporate stocks.** An expanded list plan is authorized to invest in stocks or convertible issues of any corporation organized under the laws of the United States or any of its states, any corporation organized under the laws of the Dominion of Canada or any of its provinces, or any corporation listed on an exchange that is regulated by an agency of the United States or of the Canadian national government.

An investment in any corporation must not exceed five percent of the total outstanding shares of that corporation, except that an expanded list plan may hold up to 20 percent of the shares of a real estate investment trust and up to 20 percent of the shares of a closed mutual fund. Purchase of shares of exchange-traded or mutual funds shall be consistent with paragraph (b).

(h) **Other investments.** (1) In addition to the investments authorized in paragraphs (b) to (g), and subject to the provisions in clause (2), an expanded list plan is authorized to invest funds in:

(i) equity and debt investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts, through investment in limited partnerships, bank-sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(iii) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

(iv) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made under clause (1), items (i), (ii), and (iii), may not exceed 35 percent of the market value of the fund for which the expanded list plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the expanded list plan for investments made under clause (1), item (i), (ii), or (iii);

(iii) the expanded list plan's participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), or (iii);

(iv) the expanded list plan's participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The expanded list plan may not engage in any activity as a limited partner which creates general liability;

(v) the aggregate value of all unrated obligations and obligations that are not rated among the top four quality categories by a nationally recognized rating agency authorized by paragraph (e) and clause (1), item (iv), must not exceed five percent of the covered plan's market value; and

(vi) for volunteer firefighter relief associations, emerging market equity and international debt investments authorized under clause (1), item (iv), must not exceed 15 percent of the association's special fund market value.

(i) **Supplemental plan investments.** The governing body of an expanded list plan may certify assets to the State Board of Investment for investment under section 11A.17.

(j) **Asset mix limitations.** The aggregate value of an expanded list plan's investments under paragraphs (g) and (h) and equity investments under paragraph (i), regardless of the form in which these investments are held, must not exceed 85 percent of the covered plan's market value.

Sec. 33. Minnesota Statutes 2024, section 356A.06, subdivision 8a, is amended to read:

Subd. 8a. **Collateralization requirement.** (a) The governing board of a covered pension plan shall designate a national bank, an insured state bank, an insured credit union, or an insured thrift institution as the depository for the pension plan for assets not held by the pension plan's custodian bank.

(b) Unless collateralized as provided under paragraph (c), a covered pension plan may not deposit in a designated depository an amount in excess of the insurance held by the depository in the Federal Deposit Insurance Corporation ~~or,~~ the National Credit Union Administration, or an approved credit union share guaranty corporation, whichever applies.

(c) For an amount greater than the insurance under paragraph (b), the depository must provide collateral in compliance with section 118A.03 or with any comparable successor enactment relating to the collateralization of municipal deposits.

Sec. 34. Minnesota Statutes 2024, section 366.01, subdivision 4, is amended to read:

Subd. 4. **Depository; terms; liability; interest.** (a) They may designate a bank as the depository of town money for a time not extending beyond their official term, after the execution by the bank of a sufficient bond to the town to be approved by the board and filed in the office of the town clerk. They may then require the treasurer to deposit all or part of the town money in that bank. The designation shall be in writing, and set forth all the terms upon which the deposits are made. It shall be signed by the chair and clerk and filed with the clerk. The town treasurer shall not be liable for the loss of money while deposited in the bank. All interest on the money shall belong to the town.

(b) In addition to the authority for deposit of town money pursuant to paragraph (a) or other provisions of this chapter, the town treasurer may deposit town money in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the town treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the town with respect to the money redeposited into such accounts.

(2) The full amount of the redeposited town funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or,~~ the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years of general custodial experience.

Sec. 35. Minnesota Statutes 2024, section 385.07, is amended to read:

385.07 FUNDS, WHERE DEPOSITED OR INVESTED.

(a) All county funds shall be deposited promptly and intact by the county treasurer in the name of the county or invested as provided in section 118A.04. Interest and profits which accrue from such investment shall, when collected, be credited to the general revenue fund of the county.

(b) In addition to the authority for deposit of county funds pursuant to paragraph (a), the county treasurer may deposit county funds in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the county treasurer to (i) arrange for the redeposit of the funds into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the county with respect to the funds redeposited into such accounts.

(2) The full amount of the redeposited county funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or,~~ the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years of general custodial experience.

Sec. 36. Minnesota Statutes 2024, section 424B.22, subdivision 9, is amended to read:

Subd. 9. **Missing participants.** (a) For purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

(b) "Retirement benefit" means:

(1) the participant's account balance if the retirement plan is a defined contribution plan;

(2) the participant's lump-sum benefit if the retirement plan is a defined benefit plan that pays a lump sum; or

(3) an amount equal to the present value of the participant's benefit if the retirement plan is a defined benefit plan that pays a monthly annuity.

(c) "Individual retirement account" means an account that satisfies the requirements of section 408(a) of the Internal Revenue Code which is established by an officer of the relief association in the name of the participant or other benefit recipient at a ~~federally insured~~ financial institution insured federally or by an approved credit union guaranty corporation.

(d) If the board of trustees cannot locate a participant or other benefit recipient, the board of trustees shall make a diligent effort to obtain a current address or other contact information as follows:

(1) send a notice to the address on file for the participant or other benefit recipient using certified mail;

(2) check with the Minnesota State Fire Department Association, the municipality, and any other employer of the participant;

(3) check with the participant's designated beneficiary on file with the relief association; and

(4) use one or more of the Internet search tools that are free of charge.

(e) The board of trustees shall transfer the retirement benefit to an individual retirement account or consider the retirement benefit abandoned and deposit funds in the amount of the retirement benefit with the commissioner of commerce under chapter 345, notwithstanding any laws to the contrary, including section 345.381, if the board of trustees is unable to locate the participant or other benefit recipient after taking the actions described in paragraph (d) or the participant or other benefit recipient does not elect to receive or rollover a retirement benefit to which the participant or other benefit recipient is entitled.

Sec. 37. Minnesota Statutes 2024, section 427.06, is amended to read:

427.06 MONEY, HOW DEPOSITED; CHECKS, HOW DRAWN.

(a) All money of any city kept in accordance with sections 427.02 to 427.07 in any depository designated by the council of the city shall be kept and deposited in the name of the city and the depository shall have no authority to pay out this money except upon checks drawn upon the depository signed by the city treasurer and countersigned by the city comptroller or recording officer of the city.

(b) In addition to the authority for deposit of city money pursuant to paragraph (a) or other provisions of this chapter, the city treasurer may deposit city money in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the city treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the city with respect to the money redeposited into such accounts.

(2) The full amount of the redeposited city funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or,~~ the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years' experience serving in that capacity.

Sec. 38. Minnesota Statutes 2024, section 524.3-715, is amended to read:

524.3-715 TRANSACTIONS AUTHORIZED FOR PERSONAL REPRESENTATIVES; EXCEPTIONS.

Except as restricted or otherwise provided by the will or by an order in a formal proceeding and subject to the priorities stated in section 524.3-902, a personal representative, acting reasonably for the benefit of the interested persons, may properly:

(1) retain assets owned by the decedent pending distribution or liquidation including those in which the representative is personally interested or which are otherwise improper for trust investment;

(2) receive assets from fiduciaries, or other sources;

(3) perform, compromise or refuse performance of the decedent's contracts that continue as obligations of the estate, as the personal representative may determine under the circumstances. In performing enforceable contracts by the decedent to convey or lease land, the personal representative, among other possible courses of action, may:

(i) execute and deliver a deed of conveyance for cash payment of all sums remaining due or the purchaser's note for the sum remaining due secured by a mortgage or deed of trust on the land; or

(ii) deliver a deed in escrow with directions that the proceeds, when paid in accordance with the escrow agreement, be paid to the successors of the decedent, as designated in the escrow agreement;

(4) satisfy written charitable pledges of the decedent irrespective of whether the pledges constituted binding obligations of the decedent or were properly presented as claims, if in the judgment of the personal representative the decedent would have wanted the pledges completed under the circumstances;

(5) if funds are not needed to meet debts and expenses currently payable and are not immediately distributable, deposit or invest liquid assets of the estate, including moneys received from the sale of other assets, in ~~federally insured~~ interest-bearing accounts insured federally or through an approved credit union share guaranty corporation, readily marketable secured loan arrangements or other prudent investments which would be reasonable for use by trustees generally;

(6) acquire or dispose of an asset, including land in this or another state, for cash or on credit, at public or private sale; and manage, develop, improve, exchange, partition, change the character of, or abandon an estate asset;

(7) make ordinary or extraordinary repairs or alterations in buildings or other structures, demolish any improvements, raze existing or erect new party walls or buildings;

(8) subdivide, develop or dedicate land to public use; make or obtain the vacation of plats and adjust boundaries; or adjust differences in valuation on exchange or partition by giving or receiving considerations; or dedicate easements to public use without consideration;

(9) enter for any purpose into a lease as lessor or lessee, with or without option to purchase or renew, for a term within or extending beyond the period of administration;

(10) enter into a lease or arrangement for exploration and removal of minerals or other natural resources or enter into a pooling or unitization agreement;

(11) abandon property when, in the opinion of the personal representative, it is valueless, or is so encumbered, or is in condition that it is of no benefit to the estate;

(12) vote stocks or other securities in person or by general or limited proxy;

(13) pay calls, assessments, and other sums chargeable or accruing against or on account of securities, unless barred by the provisions relating to claims;

(14) hold a security in the name of a nominee or in other form without disclosure of the interest of the estate but the personal representative is liable for any act of the nominee in connection with the security so held;

(15) insure the assets of the estate against damage, loss and liability and the personal representative against liability as to third persons;

(16) borrow money with or without security to be repaid from the estate assets or otherwise; and advance money for the protection of the estate;

(17) effect a fair and reasonable compromise with any debtor or obligor, or extend, renew or in any manner modify the terms of any obligation owing to the estate. The personal representative on holding a mortgage, pledge or other lien upon property of another person may, in lieu of foreclosure, accept a conveyance or transfer of encumbered assets from the owner thereof in satisfaction of the indebtedness secured by lien;

(18) pay in compliance with section 524.3-805, but without the presentation of a claim, the reasonable and necessary last illness expenses of the decedent (except as provided in section 524.3-806 (a)), reasonable funeral expenses, debts and taxes with preference under federal or state law, and other taxes, assessments, compensation of the personal representative and the personal representative's attorney, and all other costs and expenses of administration although the same may be otherwise barred under section 524.3-803;

(19) sell or exercise stock subscription or conversion rights; consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of a corporation or other business enterprise;

(20) allocate items of income or expense to either estate income or principal, as permitted or provided by law;

(21) employ persons, including attorneys, auditors, investment advisors, or agents, even if they are associated with the personal representative, to advise or assist the personal representative in the performance of administrative duties; act without independent investigation upon their recommendations; and instead of acting personally, employ one or more agents to perform any act of administration, whether or not discretionary;

(22) prosecute or defend claims, or proceedings in any jurisdiction for the protection of the estate and of the personal representative in the performance of duties;

(23) sell, mortgage, or lease any real or personal property of the estate or any interest therein, including the homestead, exempt or otherwise, for cash, credit, or for part cash and part credit, with or without security for unpaid balances, and without the consent of any devisee or heir unless the property has been specifically devised to a devisee or heir by decedent's will, except that the homestead of a decedent when the spouse takes any interest therein shall not be sold, mortgaged or leased unless the written consent of the spouse has been obtained;

(24) continue any unincorporated business or venture in which the decedent was engaged at the time of death (i) in the same business form for a period of not more than four months from the date of appointment of a general personal representative if continuation is a reasonable means of preserving the value of the business including good will, (ii) in the same business form for any additional period of time that may be approved by order of the court in a formal proceeding to which the persons interested in the estate are parties; or (iii) throughout the period of administration if the business is incorporated by the personal representative and if none of the probable distributees of the business who are competent adults object to its incorporation and retention in the estate;

(25) incorporate any business or venture in which the decedent was engaged at the time of death;

(26) provide for exoneration of the personal representative from personal liability in any contract entered into on behalf of the estate;

(27) satisfy and settle claims and distribute the estate as provided in this chapter;

(28) foreclose a mortgage, lien, or pledge or collect the debts secured thereby, or complete any such proceeding commenced by the decedent;

(29) exercise all powers granted to guardians and conservators by sections 524.5-101 to 524.5-502."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "making conforming changes;"

Correct the title numbers accordingly

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4138, A bill for an act relating to civil law; establishing requirements for social media platforms related to accounts for minors; establishing enforcement mechanisms for regulations on child social media accounts; proposing coding for new law in Minnesota Statutes, chapter 325M.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[325M.40] STOP HARMS FROM ADDICTIVE SOCIAL MEDIA.**

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

(b) "Account holder" means a resident of the state who has an account or a profile with a covered social media platform with a unique identifier during any period in which that covered social media platform knows or should reasonably know the account holder is physically located in the state.

(c) "Addictive interface features" means:

(1) infinite scrolling meaning either continuously loading content, content that loads as the account holder scrolls down the page without the need to open a separate page, seamless content, or the use of pages with no visible or apparent end or page breaks;

(2) display of a profile-based feed;

(3) push notifications, whether audible, visual, or tactile, designed to call the attention of the account holder to newly posted content, user responses to content posted by the account holder, or other specific activities or events related to the account holder's account, but not including notifications for the purposes of alerting the account holder to incoming calls, text messages, email messages, or similar messages sent by human contact and delivered by means of any application;

(4) autoplay video or video that begins to play without the account holder first clicking on the video or on a play button for that video;

(5) display of personal metrics that indicate the number of times other users have clicked a button or taken other action to indicate their reaction to content posted by the account holder or have shared or reposted content posted by the account holder; or

(6) display of awards, badges, tiers, or any form of recognition of the account holder based on hours spent by the account holder on the covered social media platform, numbers of followers, numbers of postings, frequency or regularity of postings, or any other metric of usage or performance on the covered social media platform.

(d) "Child" means an individual who is age 15 or younger and residing in Minnesota.

(e) "Covered social media platform" means a social media platform that earned at least $1,000,000,000 in advertising revenues worldwide in one or more of the preceding three years.

(f) "Minor" means an individual who is under the age of 18.

(g) "Paid commercial advertising" is advertising for which the covered social media platform receives compensation of any sort in return for displaying the advertising and that seeks to encourage the account holder to purchase a product or service or otherwise engage in a commercial transaction or to follow a link to a website that encourages the account holder to engage in a commercial transaction.

(h) "Parent" means any parent under state law or any legal guardian or legal custodian of a child who is a resident of the state.

(i) "Personal information" means information about an account holder collected online that comprises personal information within the meaning of the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(8), and the implementing regulations at Code of Federal Regulations, title 16, section 312.2. Personal information also includes any record of or derived from online activity or history, search history, or online communications of an account holder with respect to any application, website, or covered social media platform; any photograph or biometric information that is used or could reasonably be used to identify the account holder, including but not limited to fingerprints, voiceprints, iris or retina imagery scans, facial templates, or gait imagery or metrics; and any geolocation information associated with an account holder or with a device of an account holder. Personal information does not include an express search term, request, or selection submitted by the account holder during the current session on the covered social media platform; an identifier used solely for the purpose of directing personal communications to or from the account holder; information that comprises account holder-selected or parent-selected settings relating to privacy, accessibility, or blocking of age-inappropriate content; or technical information concerning the account holder's device.

(j) "Profile-based feed" means a feed in which the material presented has been selected or prioritized by the covered social media platform for display to an account holder based in whole or in part on personal information of that account holder, except that inclusion in a feed of content created by a third party that is displayed to the account holder because the account holder has taken an affirmative step to select the third party's content for inclusion in the feed displayed to the account holder, such as by following, friending, or engaging in similar actions in relation to the third party and not otherwise selected or prioritized for display to the account holder based on personal information, shall not render the feed a profile-based feed. Additionally, exclusion by a covered social media platform of certain content from the feed of an account holder based on information about or any estimate of the age of an account holder solely for the purpose of excluding content that (1) is obscene as to children age 15 or younger, or (2) by policy of the covered social media platform is not suitable for presentation to children of that age shall not render that feed a profile-based feed.

(k) "Social media platform" means an Internet website or application that is open to the public, allows a user to create an account, enables an account holder to communicate with other users for the primary purpose of posting and viewing information, comments, messages, images, or videos, and utilizes addictive interface features, provides profile-based feeds, or utilizes personal information to display targeted paid commercial advertising. Social media platform does not include:

(1) a broadband Internet access service as defined by the Federal Communications Commission;

(2) an online service, website, or application where the exclusive function is the support of communications, including email, video conference capabilities, or direct messaging consisting of text, photographs, pictures, images, or videos only between the sender and recipients specifically identified by the sender, without displaying or posting publicly or to other users not specifically identified as the recipients by the sender;

(3) an online service, application, or website with content consisting primarily of information or content that is not user generated; or

(4) a streaming service, online video game, e-commerce, or other Internet website where the content is not user generated but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon providing the content.

(l) "Targeted paid commercial advertising" means paid commercial advertising that has been selected or prioritized for display to an account holder based in whole or in part on account activity or personal information of the account holder by or with the participation of the covered social media platform, except that advertising selected for display to an account holder shall not constitute targeted paid commercial advertising if that selection process considers information about or an estimate of the age of the account holder solely for the purpose of excluding advertisements that by law or policy of the covered social media platform are not suitable for presentation to a child of that age.

(m) "Verifiable parental consent" has the meaning established in the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(9), and the implementing regulations under Code of Federal Regulations, title 16, section 312.5.

Subd. 2. **Age estimation; requirements.** (a) When a new account holder has been on the covered social media platform for 25 hours or more within a six-month period, the covered social media platform has 14 days to estimate the age of the account holder using reasonable efforts, taking into consideration available technology and the data in the possession of the covered social media platform. If the covered social media platform is able to conclude with a percentage confidence score of 80 percent or greater that the user is 15 years old or older, or the age estimate range is an average of 15 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(b) When a new account holder has been on the covered social media platform for 50 hours or more within a six-month period, the covered social media platform has 14 days to use reasonable efforts to revise the covered social media platform's initial estimate of the age of the account holder. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is over 15 years of age, or the age estimate range is an average of 15 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(c) A covered social media platform shall update its estimate of the age of each account holder after every six months that the account holder is on the platform, or as often as the covered social media platform applies any form of data analytics or artificial intelligence to update the covered social media platform's estimate of any other demographic characteristics of the account holder for any reason, whichever period is shorter. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is over 15 years of age, or the age estimate range is an average of 15 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(d) Nothing in this section shall be construed to create any duty on the part of a covered social media platform to request, collect, or retain any information from or about any account holder. The age estimate required by this section shall be derived based on information collected and retained by the covered social media platform in the ordinary course of operation of the covered social media platform, and a covered social media platform shall have no obligation under this section to estimate the age of an account holder who has had an account with the covered social media platform continuously for at least seven years or to take any action with respect to the account.

Subd. 3. **Creation and maintenance of account of a child.** (a) A covered social media platform shall require applicants for an account to provide the month and year of their birth date as part of the account application process, and shall not provide a default birthdate in any form or query used to obtain that information.

(b) A covered social media platform may not create an account for a user identified as a child pursuant to this section, or change the terms and conditions of an account of a child, without first obtaining verifiable parental consent. A covered social media platform that is required to treat an account holder as a child pursuant to subdivision 2 must not maintain an account of a child without verifiable consent consistent with the process in subdivision 6, paragraph (c). Information collected for the purpose of obtaining verifiable parental consent shall not be used for any purpose other than obtaining verifiable parental consent and shall not be sold, transferred, or disclosed, except to the extent necessary to comply with any other applicable state or federal law or regulation.

(c) A covered social media platform shall provide clear, simple, and easy-to-locate information through a link about the creation or maintenance of an account of a child and include that information in the terms and services agreement.

Subd. 4. **Privacy and parental limitations for account of a child.** (a) An account for a child shall have all privacy settings set by default at the most private levels.

(b) A covered social media platform may not change the privacy settings of an account of a child without first obtaining verifiable parental consent for the change so long as the account holder remains a child.

(c) In the course of obtaining verifiable parental consent for the establishment or continuation of an account of a child, a covered social media platform shall prominently provide and explain an option for the parent to:

(1) monitor the amount of time the child spends using the covered social media platform;

(2) set daily and weekly time limits on use of the covered social media platform; and

(3) set limits on times of day when the covered social media platform can be accessed by the child.

Subd. 5. **Prohibition on addictive interface; presentation of paid commercial advertising.** (a) A covered social media platform may not present addictive interface features in the display or feed of any account of a child.

(b) A covered social media platform may not present targeted paid commercial advertising in the display or feed of any account of a child.

Subd. 6. **Termination of an account of a child.** (a) A covered social media platform shall terminate an account of a child within no more than seven days after receipt of a request for termination from the account holder.

(b) A covered social media platform shall terminate the account of a child within 14 days of the receipt of a request for termination from a parent of the account holder. Upon receipt of the parent's request, the covered social media platform shall verify that the requesting party is a parent of the account holder by whatever means of verification the covered social media platform uses for purposes of ascertaining the validity of verifiable parental consent. A covered social media platform shall provide clear, simple, and easy-to-locate means for the parent of any child to request termination of any account of a child.

(c) A covered social media platform must terminate an account if it concludes, consistent with the age estimation requirements in subdivision 2, that an account holder is a child unless verifiable parental consent is obtained for the account. The covered social media platform shall provide 30 days from the date of the notice for the account holder to dispute the age classification and complete an age verification process or to provide verifiable parental consent. If

an account holder disputes his or her classification as a child, a covered social media platform may rely on any commercially reasonable age verification process to resolve the dispute. A covered social media platform shall make a reasonable determination of the dispute within 30 days of the completion of the age verification. In the event a covered social media platform concludes after considering a dispute and the result of any age verification that the covered social media platform is obligated to terminate an account, it shall terminate that account within seven days of making that determination.

Subd. 7. **Enforcement; remedies.** (a) Contracts formed in violation of this section are void and unenforceable. No part of this section may be waived in a contract or terms of service agreement.

(b) A child or parent shall have a private right of action for a violation of this section. The court may award declaratory or injunctive relief, general and special damages, court costs and fees, reasonable attorney fees, and any other appropriate relief as a result of any violation of this section.

(c) If a covered social media platform permits a child to open or continue an account on the platform in the absence of parental consent sufficient for the formation of a binding contract with a minor under ordinary principles of contract law under the laws of this state, any purported contract pertaining to the account is void and unenforceable as contrary to public policy, including but not limited to any arbitration provision, limitation of liability, or limitation of remedies, without regard to whether the covered social media platform had actual or constructive knowledge that the account holder was a child.

(d) If a covered social media platform's violation was reckless or knowing, a child or parent who prevails on a claim based on any violation of this section shall be entitled to recover $10,000 in statutory damages in addition to actual damages established at trial.

(e) If a covered social media platform's violation was part of a consistent pattern of reckless or knowing conduct, punitive damages may be awarded.

(f) A covered social media platform shall not be liable for any violation of this section if it has used reasonable efforts, taking into consideration available technology and the data in possession of the covered social media platform, to comply with the requirements of this section.

(g) A civil action for damages for a violation of this section must be brought within three years of the date the plaintiff knew, or reasonably should have known, of the alleged violation. However, this limitation period for the action shall be tolled until the holder of an account of a child reaches the age of 18.

Subd. 8. **Deceptive trade practices.** Any knowing or reckless violation of this section shall constitute a deceptive trade practice and a violation of section 325D.44. The attorney general shall have enforcement authority under section 8.31.

EFFECTIVE DATE. This section is effective July 1, 2027, and applies to accounts created before, on, or after that date."

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

The report was adopted.

Fischer and Heintzeman from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4149, A bill for an act relating to natural resources; modifying provisions for soil and water conservation; amending Minnesota Statutes 2024, sections 103C.005; 103C.201, subdivision 7; 103C.225, subdivision 4; 103C.331, subdivisions 5, 6, 7, 9, 15; 103C.335; 103C.501, subdivisions 5, 7; repealing Minnesota Statutes 2024, section 103C.101, subdivision 8.

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4151, A bill for an act relating to occupations; modifying eligibility of certain applicants for licenses to serve as private detectives or protective agents; amending Minnesota Statutes 2024, sections 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3.

Reported the same back with the following amendments:

Page 3, line 11, after "manager" insert ", if one exists,"

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4188, A bill for an act relating to consumer protection; modifying various consumer protections for insurance and financial products; prohibiting virtual-currency kiosks; adding certain student loan borrower protections; providing for mortgage loan servicing standards; requiring certain notices to the commissioner of commerce; providing mortgage protections; amending Minnesota Statutes 2024, sections 53B.69, subdivision 10, by adding a subdivision; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.06, subdivisions 4, 6; 72A.18, subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80G.01, subdivision 5a; 332.32; 582.043, subdivisions 1, 5; Minnesota Statutes 2025 Supplement, sections 58B.02, subdivision 8a; 582.043, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 82B; 82C; repealing Minnesota Statutes 2024, section 53B.75.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CONSUMER PROTECTION

Section 1. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal acting as a mechanical agent or a person acting on behalf of the virtual currency kiosk operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency,

including but not limited to by (1) connecting directly to a separate virtual currency exchanger that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.

Sec. 2. **[53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**

Subdivision 1. **Virtual currency kiosks prohibited.** (a) Beginning August 1, 2026, a person is prohibited from installing, operating, maintaining, or making available for use a virtual currency kiosk.

(b) On or before December 31, 2026, a virtual currency kiosk operator must remove the virtual currency kiosk from any location where the virtual currency kiosk is visible or accessible to the public.

Subd. 2. **Payout.** (a) On or before December 31, 2026, a virtual currency kiosk operator that conducts virtual currency transactions exclusively through a virtual currency kiosk must pay out any money or virtual currency held for or owed to a new or existing customer that exists as a result of virtual currency kiosk transactions.

(b) A new or existing customer may elect, at any time before December 31, 2026, to receive a payout under this subdivision:

(1) in United States dollars, in an amount equal to the market value of the customer's virtual currency plus any fiat currency; or

(2) to a virtual currency wallet designated by the customer.

(c) A virtual currency kiosk operator must make a payout under this subdivision in the manner elected by a new or existing customer under paragraph (b). If a new or existing customer elects the option under paragraph (b), clause (2), the virtual currency kiosk operator must transfer the full amount of the money and virtual currency being held for or owed to the new or existing customer to the customer's designated virtual currency wallet within 30 days of the date the customer submits the payout request.

(d) A payout to a new or existing customer must be recorded on the applicable blockchain. A virtual currency kiosk operator must retain proof that a transfer was made and must make retained proof available to the commissioner upon request.

Subd. 3. **Exception.** A virtual currency kiosk operator is not required to make a payout under subdivision 2 if the operator maintains, at all times, other lawful means for new and existing customers to access, transfer, redeem, or otherwise transact a customer's money or virtual currency that exists as a result of virtual currency kiosk transactions.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 3. **[58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

(b) "Authorized representative" means a person, including but not limited to an attorney, employee, or agent of a government agency, not-for-profit housing counseling organization, or legal services organization, designated by a borrower in a written authorization signed by the borrower or in any other form of verifiable authorization to share information and communicate with a servicer on behalf of the borrower.

(c) "Clearly and conspicuously" means the statement, representation, or term being disclosed is displayed in a size, color, and contrast and is presented in a manner that makes the statement readily noticed and understood by an ordinary consumer.

(d) "Government-sponsored enterprise" means the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(e) "Real Estate Settlement Procedures Act" or "RESPA" means the Real Estate Settlement Procedures Act of 1974, United States Code, title 12, section 2601, et seq., and regulations adopted pursuant to RESPA, also known as Regulation X, Code of Federal Regulations, title 12, part 1024, as amended.

(f) "Third-party provider" means any person or entity retained by or on behalf of the servicer, including but not limited to foreclosure firms, law firms, foreclosure trustees, other agents, independent contractors, subsidiaries, and affiliates, that provides insurance, foreclosure, bankruptcy, mortgage servicing including loss mitigation, or other products or services in connection with servicing a mortgage loan.

(g) "Transferee servicer" means a servicer that has agreed to obtain the right to service a mortgage loan pursuant to an agreement or understanding.

(h) "Transferor servicer" means a servicer that has agreed to, or been informed that the servicer must, transfer the right to service a mortgage loan to another servicer.

Subd. 2. **General requirements.** (a) A violation of an applicable state law or administrative rule, a federal law or regulation, or a state or federal program is a violation of this section.

(b) In addition to complying with this section, a servicer must comply with:

(1) other applicable sections of this chapter;

(2) other applicable state law, including but not limited to chapters 46A, 47, 580, 581, and 582;

(3) applicable sections of RESPA;

(4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section 501, et seq.; and

(5) other applicable federal laws and implementing regulations, as amended, including but not limited to:

(i) the Gramm-Leach-Bliley Act, Public Law 106-102;

(ii) the Truth-in-Lending Act, United States Code, title 15, section 1601, et seq.; and

(iii) the Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x.

Subd. 3. **Servicing and ownership transfers or sales.** (a) When acquiring servicing rights from a transferor servicer, a transferee servicer must:

(1) continue processing loan modification requests and honoring trial and permanent modifications; and

(2) designate the homeowner as a third-party intended beneficiary in any subsequent contract for transfer or sale, unless doing so violates another state law or a government-sponsored enterprise's modification program requirements.

(b) When transferring or selling loan servicing with pending modification requests or trial or permanent modifications, a transferor servicer must:

(1) inform the transferee servicer if a loan modification is pending;

(2) obligate the transferee servicer to (i) accept and continue processing loan modification requests, and (ii) honor trial and permanent loan modification agreements; and

(3) designate the homeowner as a third-party intended beneficiary in any contract for transfer or sale, unless doing so violates state law or a government-sponsored enterprise's modification program requirements.

Subd. 4. **Payment processing and fees.** (a) A servicer must comply with section 47.59, subdivision 9a, regarding prompt crediting of payments, if the borrower has provided sufficient information to credit the account. A servicer must apply the payment as specified in the loan documents.

(b) A servicer may enter into a written contract with the borrower that allows the servicer to hold certain types of money, or money sent by a certain method, for a period of time until the money is available before crediting the money to the borrower's account.

(c) A servicer must notify the borrower if a payment is received, not credited, and placed in a suspense account. The servicer must send the notification to the borrower within ten business days by United States mail to the borrower's last known address. The notification must identify (1) the reason the payment was not credited or treated as credited to the account, and (2) any actions the borrower must take to make the residential mortgage loan current. If a servicer provides monthly or more frequent statements that include the information under this paragraph, the servicer is not required to provide the information in an additional notice. If this paragraph conflicts with the requirements of an applicable bankruptcy court order, compliance with the bankruptcy court requirements constitutes compliance with this paragraph or paragraph (d).

(d) When a suspense account contains enough money to make a full payment, a servicer must apply the payment to the mortgage on the date the full amount became available in the suspense account.

(e) A servicer must assess an incurred fee to a borrower's account within 45 days of the date the fee was incurred. A servicer must clearly and conspicuously explain the fee in a statement mailed to the borrower at the borrower's last known address no more than 30 days after the date the fee is assessed. If a servicer provides monthly or more frequent statements that include the information under this paragraph, the servicer is not required to provide the information in an additional notice.

Subd. 5. **Contracting with third-party providers.** A servicer must adopt written policies and procedures governing the oversight of third-party providers, including but not limited to foreclosure trustees, foreclosure firms, subservicers, agents, subsidiaries, and affiliates. A servicer must maintain the policies and procedures as part of the servicer's books and records and must provide the policies and procedures to the commissioner upon request.

Subd. 6. **Maintenance of the escrow account.** (a) If a servicer collects escrow amounts held for the borrower to pay insurance, taxes, or other charges with respect to the property, the servicer must collect and make all payments from the escrow account. To the extent the servicer has control, the servicer must ensure that no late penalties are assessed or other negative consequences result for the borrower.

(b) At least annually or upon the borrower's request, a servicer must inform the borrower in writing regarding the amount of reserve required in an escrow account. The notice must advise the borrower of any fees the borrower incurs (1) for not maintaining the reserve amount, or (2) if the servicer advances escrow amounts on the borrower's behalf and subsequently collects the escrow amounts from the borrower.

(c) A servicer may enter into a written agreement with the borrower that specifies the servicer is not required to make escrow payments unless money is available in the escrow account. An agreement under this paragraph must include language that provides notice to the borrower that the borrower is responsible to pay the escrow amounts if an amount sufficient to pay the escrow amounts is not maintained in the escrow account.

(d) A servicer must notify the borrower within ten business days of the date a change is made to the escrow account that modifies the borrower's escrow payment amount. A change requiring notification includes but is not limited to hazard insurance premiums, a reduction in the required reserve amount for the account, or a change in the property's tax assessment. A change resulting from a borrower's regularly scheduled payment is not a change requiring notification.

Subd. 7. **Borrower requests for information.** (a) A servicer must make a reasonable attempt to comply with a borrower's request for information, including a request for information about loss mitigation, regarding the residential mortgage loan account and must respond to a dispute initiated by the borrower about the loan account. A reasonable attempt under this subdivision includes but is not limited to:

(1) maintaining written or electronic records of each written request for information involving the borrower's account until the residential mortgage loan is paid in full, sold, or otherwise satisfied; and

(2) providing a written statement to the borrower within 30 business days of the date a written request is received from the borrower or by following the response timelines provided by a loss mitigation program. A borrower's request must include the borrower's name and account number, if any, a statement that the account is or may be in error, and sufficient detail regarding the information sought by the borrower to permit the servicer to comply.

(b) At a minimum, a servicer must provide the following information in response to a borrower request received under this subdivision:

(1) whether the account is current or, if the account is not current, an explanation regarding the default and the date the account entered default;

(2) the current balance due on the residential mortgage loan, including the principal due; the amount of money, if any, held in a suspense account; the amount of the escrow balance known to the servicer, if any; and whether any escrow deficiencies or shortages are known to the servicer;

(3) the identity, address, and other relevant information about the current holder, owner, or assignee of the residential mortgage loan; and

(4) the telephone number and mailing address of an individual servicer representative with the information and authority to answer questions and resolve disputes.

(c) A servicer must promptly correct errors and refund fees assessed to the borrower resulting from an error the servicer made.

(d) If the content of a servicer's response meets the requirements under RESPA for a response to a qualified written request, the servicer has complied with this subdivision. A servicer deemed compliant with this subdivision under this paragraph must separately comply with paragraph (c).

(e) In addition to the statement described under paragraph (a), clause (2), a borrower may request more detailed information from a servicer. A servicer that receives a request under this paragraph must provide the information to the borrower within 15 business days of the date a written request from the borrower is received. A borrower's request must include the borrower's name and account number, if any, a statement that the account is or may be in error, and sufficient detail to the servicer regarding information sought by the borrower. If requested by the borrower, a statement provided under this paragraph must also include:

(1) a copy of the original note or, if the original note is unavailable, an affidavit of lost note that includes all endorsements; and

(2) a statement that (i) identifies and itemizes all fees and charges assessed under the loan servicing transaction, (ii) provides a full payment history that identifies in a clear and conspicuous manner all the debits, credits, applications, and disbursements of all payments received from or for the benefit of the borrower, and (iii) identifies other activity on the residential mortgage loan, including escrow account activity and suspense account activity, if any.

(f) For purposes of a borrower request made under paragraph (e) the account history period must cover, at a minimum, the two-year period before the date the request for information is received. If the servicer has not serviced the residential mortgage loan for the entire two-year period, the servicer must provide the information back to the date on which the servicer began servicing the residential mortgage loan and must identify the previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed on the residential mortgage loan prior to the two-year period or the period during which the servicer has serviced the residential mortgage loan, the servicer must provide an account history beginning with the month that the servicer claims any outstanding sums are owed on the residential mortgage loan up to the date the request for the information is received.

(g) If the borrower requests a statement under paragraph (e), a servicer must provide the statement free of charge. A borrower is entitled to only one free statement annually under this paragraph. If a borrower requests more than one statement annually, a servicer may charge $30 for the second and each subsequent statement.

Subd. 8. **Borrower complaints and inquiries.** (a) A servicer must establish and maintain:

(1) procedures and systems to respond to and resolve borrower complaints and inquiries in a manner that complies with this section;

(2) a customer service department staffed by trained personnel to whom a borrower may direct complaints and inquiries; and

(3) a toll-free telephone number or collect calling service that enables a borrower to speak, during regular business hours, with a live person trained to answer inquiries and instruct borrowers how to file written complaints.

(b) Each welcome packet, periodic statement, including as applicable either the monthly mortgage statement or annual coupon book that is provided to a borrower, and website maintained by a servicer must clearly and conspicuously state:

(1) an address to which borrowers may direct complaints and inquiries;

(2) the toll-free telephone number or collect calling services provided by the servicer;

(3) whether the servicer is licensed with the commissioner; and

(4) that a borrower may file a complaint and obtain information about the servicer by contacting the Department of Commerce. The information provided under this clause must include the department's current telephone contact information and website.

(c) A servicer must establish and maintain a process that enables borrowers to escalate complaints or pending loss mitigation matters for a supervisory-level review.

Subd. 9. **Servicing prohibitions; fair dealing duty.** (a) In addition to the prohibitions and standards of conduct under sections 58.12, subdivision 1, paragraph (b), and 58.13, subdivision 1, a servicer is prohibited from:

(1) engaging in unfair, deceptive, or abusive business practices, or misrepresenting or omitting any material information, in connection with servicing a mortgage loan, including but not limited to misrepresenting the amount, nature, or terms of a fee, payment due, or payment claimed due on the loan, the servicing agreement's terms and conditions, or the borrower's obligations under the loan;

(2) requiring money to be remitted by a method that is more costly to the borrower than a bank, certified check, or attorney's check from an attorney's account; or

(3) refusing to communicate with the borrower's authorized representative if the authorized representative provides the servicer with a written authorization, including by electronic transmission, signed by the borrower that affirms the authorized representative may act on behalf of the borrower. A servicer may adopt procedures, excluding collecting the representative's Social Security number, that are reasonably related to verifying that the representative is in fact authorized to act on behalf of the borrower.

(b) A servicer must act in good faith and deal fairly in the servicer's dealings with a borrower in connection with servicing a borrower's mortgage loan. For purposes of this paragraph, acting in good faith and dealing fairly includes but is not limited to the duty to:

(1) safeguard and account for any payment made by the borrower or any money belonging to the borrower;

(2) follow reasonable and lawful instructions from the borrower that are consistent with the underlying note and mortgage;

(3) act with reasonable skill, care, and diligence;

(4) consider alternatives to foreclosure when a borrower (i) demonstrates that the borrower is in imminent risk of delinquency on the mortgage loan as a result of a financial hardship, or (ii) has experienced a financial hardship and is unable to maintain the payment at the current payment amount required under the mortgage loan or make delinquent payments; and

(5) structure loan modifications to result in payments that are reasonably affordable and sustainable for the borrower at the time the modification is made.

Subd. 10. **Notices; mailings; evidence of receipt.** (a) A notification, mailing, or other correspondence from a mortgage servicer or third-party provider to a borrower must be provided via first class mail and email if the borrower has provided an email address for notice or communication purposes.

(b) A servicer must provide a mailing address, facsimile number, email address, and a method to facilitate file transfers via the Internet to produce documents requested from the borrower. An option to transfer files via the Internet must allow both the borrower and servicer to view the documents sent and confirm the date the documents were sent for 60 months after the date the documents were produced to the servicer.

(c) A servicer must provide a detailed description of all items received and the items' expiration dates from a borrower within five business days of the date an item was received via any medium described under this subdivision.

(d) A servicer is prohibited from rejecting documentation from a borrower or potential borrower as incomplete without providing the borrower with details regarding which specific portion of the documentation is incomplete.

Sec. 4. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person must investigate and attempt to resolve complaints made regarding acts or practices subject to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain a file containing all materials relating to the complaint and subsequent investigation for a period of 60 months.

Sec. 5. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

Subd. 4. **Trust account records for mortgage originators.** A residential mortgage originator or servicer shall keep and maintain for 60 months a record of all trust funds, sufficient to identify the transaction, date and source of receipt, and date and identification of disbursement.

Sec. 6. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for 60 months the business records, including email communications, telephone recordings, incomplete documentation, and advertisements, regarding residential mortgage loans applied for, originated, or serviced in the course of its business.

Sec. 7. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to read:

Subd. 6. **Telephone recordings.** A person acting as a residential mortgage loan servicer that services at least 500 residential mortgage loans secured by property in Minnesota must:

(1) record a telephone conversation with a borrower and a borrower's representatives; and

(2) maintain the recording of the conversation for 60 months after the date the recording is made, as provided under subdivision 5.

Sec. 8. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated by a federal or state chartered bank, savings bank, or credit union, unless the residential mortgage loan originated by a federal or state chartered bank, savings bank, or credit union is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision 20.

Sec. 9. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to read:

Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program" means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You Earn Plan, and any other state, federal, or private student loan repayment plan that is calculated based on a borrower's income and for which a borrower's income may include the borrower's household income for purposes of evaluating eligibility under section 58B.06, subdivision 5.

Sec. 10. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended to read:

Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making, or extending student loans. Lender does not include~~, to the extent that state regulation is preempted by federal law~~:

(1) a bank, savings banks, savings and loan association, or credit union;

(2) a wholly owned subsidiary of a bank or credit union;

(3) an operating subsidiary where each owner is wholly owned by the same bank or credit union;

(4) the United States government, through Title IV of the Higher Education Act of 1965, as amended, and administered by the United States Department of Education;

(5) an agency, instrumentality, or political subdivision of Minnesota;

(6) a regulated lender organized under chapter 56, except that a regulated lender must file the annual report required for lenders under section 58B.03, subdivision 10; or

(7) a person who is not in the business of making student loans and who makes no more than three student loans, with the person's own funds, during any 12-month period.

Sec. 11. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to read:

Subd. 10. **Written communication.** "Written communication" means a written correspondence that is made by a borrower and is transmitted by mail, facsimile, or electronically through an email address or Internet website that the student loan servicer designates to receive communications from a borrower and enables the student loan servicer to identify the borrower's name and account. Written communication does not include a notice on a payment medium supplied by a student loan servicer.

Sec. 12. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

Subd. 10. **Annual report.** (a) ~~Beginning~~ On or before March 15~~, 2025~~ each year, a student loan lender that secures, makes, or extends student loans in Minnesota must submit a report to the commissioner on the form the commissioner provides. The report must include for the previous calendar year:

(1) a list of all schools attended by borrowers who received a student loan from the student loan lender and resided within Minnesota at the time of the transaction and whose debt is still outstanding, including student loans used to refinance an existing debt;

(2) the total outstanding dollar amount owed by borrowers residing in Minnesota who received student loans from the student loan lender;

(3) the total number of student loans owed by borrowers residing in Minnesota who received student loans from the student loan lender;

(4) the total outstanding dollar amount and number of student loans owed by borrowers who reside in Minnesota, associated with each school identified under clause (1);

(5) the total dollar amount of student loans provided by the student loan lender to borrowers who resided in Minnesota in the prior calendar year;

(6) the total outstanding dollar amount and number of student loans owed by borrowers who resided in Minnesota, associated with each school identified under clause (1), that were provided in the prior calendar year;

(7) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan lender, if applicable;

(8) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan lender associated with each school identified under clause (1), if applicable;

(9) the range of initial interest rates for student loans provided by the student loan lender to borrowers who resided in Minnesota in the prior calendar year;

(10) the total number of borrowers who received student loans identified under clause (9), and the percentage of borrowers who received each rate identified under clause (9);

(11) the total dollar amount and number of student loans provided in the prior calendar year by the student loan lender to borrowers who resided in Minnesota at the time of the transaction and had a cosigner for the student loans;

(12) the total dollar amount and number of student loans provided by the student loan lender to borrowers residing in Minnesota used to refinance a prior student loan or federal student loan in the prior calendar year;

(13) the total dollar amount and number of student loans for which the student loan lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

(14) a copy of any model promissory note, agreement, contract, or other instrument used by the student loan lender in the previous year to substantiate that a borrower owes a new debt to the student loan lender; and

(15) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.

(b) In addition to annual reports, the commissioner may require additional regular or special reports as the commissioner deems necessary to properly supervise student loan lenders under this chapter.

(c) The commissioner of commerce must share data collected under this subdivision with the commissioner of higher education.

Sec. 13. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

Subd. 11. **Annual report from student loan servicers.** (a) ~~Beginning~~ On or before March 15~~, 2025~~ each year, a student loan servicer that services student loans in Minnesota must submit a report to the commissioner on the form the commissioner provides. The report must include for the previous calendar year:

(1) a list of any outstanding student loans owed by borrowers who reside in Minnesota that are serviced by the student loan servicer;

(2) the total outstanding dollar amount and number of student loans that are serviced by the student loan servicer and owed by borrowers who reside in Minnesota;

(3) the total dollar amount and number of student loans owed by borrowers who resided in Minnesota that were serviced by the student loan servicer in the prior calendar year;

(4) the rate of default for student loans owed by borrowers who reside in Minnesota that are serviced by the student loan servicer, if applicable;

(5) the range of interest rates for student loans serviced by the student loan servicers to borrowers who resided in Minnesota in the prior calendar year;

(6) the total outstanding dollar amount and number of student loans that were serviced by the student loan servicer and owed by borrowers residing in Minnesota to refinance a prior student loan or federal student loan; and

(7) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.

(b) In addition to annual reports, the commissioner may require additional regular or special reports as the commissioner deems necessary to properly supervise student loan servicers under this chapter.

(c) The commissioner of commerce must share data collected under this subdivision with the commissioner of higher education.

Sec. 14. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer must~~:~~ protect the borrower from negative consequences resulting from the sale, assignment, transfer, system conversion, or payment the borrower makes to the original loan servicer consistent with the original student loan servicer's policy. For purposes of this paragraph, "negative consequences" includes but is not limited to:

(1) ~~require the new student loan servicer to honor all benefits that were made available, or which may have become available, to a borrower from the original student loan servicer or are authorized under the student loan contract, including any benefits for which the student loan borrower has not yet qualified unless that benefit is no longer available under the federal or state laws and regulations; and~~ negative credit reporting;

(2) ~~transfer to the new student loan servicer all information regarding the borrower, the account of the borrower, and the borrower's student loan, including but not limited to the repayment status of the student loan and the benefits described in clause (1).~~ imposing late fees that are not required by the promissory note; or

(3) eligibility loss or denial for a benefit or protection established under federal law or included in the loan contract.

(b) ~~The student loan servicer must complete the transfer under paragraph (a), clause (2), less than 45 days from the date of the sale, assignment, or transfer of the servicing.~~ If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original and new student loan servicer must provide a written notice to the borrower subject to the transfer. The notice must be provided no less than 15 calendar days before the transfer's effective date and must include:

(1) the sale, assignment, or transfer's effective date;

(2) the name, address, website, and toll-free telephone number for the original student loan servicer's designated point of contact for the borrower to contact in order to obtain answers to servicing inquiries;

(3) the name, address, website, and toll-free telephone number for the new student loan servicer's designated point of contact for the borrower to contact in order to obtain answers to servicing inquiries;

(4) the date the original student loan servicer stops accepting payments on the borrower's student loan;

(5) the date the new student loan servicer begins accepting payments on the borrower's student loan;

(6) information that indicates whether the borrower's authorization for recurring electronic funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic funds transfer is not transferred, the transferee must provide information that explains how the borrower may establish a new recurring electronic funds transfer with the new servicer; and

(7) a statement that indicates the current loan balance, including the current unpaid amount of principal, interest, and fees.

(c) ~~A sale, assignment, or transfer of the servicing must be completed no less than seven days from the date the next payment is due on the student loan.~~ If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer must ensure all necessary information regarding a borrower, a borrower's account, and a borrower's student loan accompanies a loan when the loan is transferred to a new student loan servicer. The transfer of necessary information must occur within 45 calendar days of the sale, assignment, or transfer's effective date. For purposes of this subdivision, "necessary information" includes but is not limited to:

(1) a schedule of all transactions credited or debited to the student loan account;

(2) a copy of the promissory note for the student loan;

(3) notes created by the student loan servicer's personnel that reflect communications with the borrower regarding the student loan account;

(4) a report of the data fields relating to the borrower's student loan account created by the student loan servicer's electronic systems in connection with servicing practices;

(5) copies or electronic records of information or documents the borrower provided to the student loan servicer;

(6) if applicable, usable data fields that contain information necessary to assess the borrower's eligibility for forgiveness, including public service loan forgiveness; and

(7) information necessary to compile a payment history.

(d) A new student loan servicer must adopt ~~policies and procedures to verify that the original student loan servicer has met the requirements of paragraph (a)~~ and implement policies and procedures to verify that the original student loan servicer meets the requirements of paragraph (c).

Sec. 15. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate records, including of all written communication and telephone recordings, for each student loan. The records must be maintained for ~~not less than~~ at least two years following the final payment on the student loan or the sale, assignment, or transfer of the servicing.

Sec. 16. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership, reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person" shall in addition mean any person, firm or corporation even though not engaged in the business of insurance.

Sec. 17. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to read:

Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person who uses a lead-generating device to:

(1) publicize the availability of what is or what purports to be an insurance product or service that the person is not licensed to sell directly to a customer;

(2) identify a customer who may be interested in learning more about an insurance product; or

(3) sell or transmit customer information to an insurer or producer for the purposes of subsequent contact or sales activity.

(b) For the purposes of sections 72A.17 to 72A.32, insurance lead generator does not include an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an insurance producer, as defined under section 60K.31, subdivision 6.

Sec. 18. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to read:

Subd. 4. **Lead-generating device.** "Lead-generating device" means communication directed to the public that, regardless of the communication's form, content, or stated purpose, is intended to result in compiling or qualifying a list containing names and other personal information to solicit Minnesota residents to purchase what is or what purports to be an insurance product or service.

Sec. 19. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to read:

Subd. 5. **Recording.** "Recording" means documenting a sale or verifying a call, including a virtual technology call, to market an insurance product or service.

Sec. 20. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

Subd. 2. **False information and advertising generally.** Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, email, Internet advertisement or posting, or other publication, or in the form of a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any radio station, or using the Internet or other electronic means, or in any other way, an advertisement, announcement, or statement, containing any assertion, representation, or statement with respect to the business of insurance, or with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall constitute an unfair method of competition and an unfair and deceptive act or practice.

Sec. 21. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 2a. **Failure to maintain certain records.** An insurance lead generator must maintain books, records, documents, and other business records in a manner that ensures data regarding complaints and marketing are accessible and retrievable for examination by the insurance commissioner. An insurance lead generator must maintain data under this subdivision for at least the current calendar year and the two preceding years.

Sec. 22. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product transaction conducted:

(1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise~~ located in Minnesota;

(2) by a dealer representative at a location in Minnesota;

(3) between a dealer and a consumer ~~who lives~~ in Minnesota; or

(4) between a dealer and a Minnesota consumer when the transaction involves:

(i) delivering or shipping a bullion product to an address in Minnesota; or

~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota resident; or~~

~~(iii)~~ (ii) making payment to a consumer or receiving a payment from a consumer at an address in Minnesota, unless the transaction occurs when the consumer is ~~at a business location~~ outside of Minnesota.

Sec. 23. **[82B.081] NOTICE TO COMMISSIONER.**

Subdivision 1. **Change of application information.** A licensee must provide notice to the commissioner if the information in the license application filed with the commissioner changes. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the change occurs. For purposes of this subdivision, an information change requiring notice includes but is not limited to a change with respect to the licensee's personal name, trade name, address, or business location.

Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse decision or court order, whether or not the decision or order is appealed, resulting from a proceeding in which the licensee was named as a defendant and the final adverse decision relates to fraud or misrepresentation. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the final adverse decision or court order is issued.

Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary action involving the licensee, including but not limited to a suspension or revocation of the licensee's real property appraiser license or another occupational license issued by Minnesota or another jurisdiction. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the disciplinary action occurs.

Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a similar violation of a real property appraiser licensing law. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the charge, judgment, or plea occurs.

Sec. 24. **[82C.031] NOTICE TO COMMISSIONER.**

Subdivision 1. **Change of application information.** A licensee must provide notice to the commissioner if the information in the license application filed with the commissioner changes. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the change occurs. For purposes of this subdivision, an information change requiring notice includes but is not limited to a change with respect to the licensee's personal name, trade name, address, or business location.

Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse decision or court order, whether or not the decision or order is appealed, resulting from a proceeding in which the licensee was named as a defendant and the final adverse decision relates to fraud or misrepresentation. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the final adverse decision or court order is issued.

Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary action involving the licensee, including but not limited to a suspension or revocation of the licensee's real property appraisal management company license issued by another jurisdiction. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the disciplinary action occurs.

Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a similar violation of a real property appraisal management company licensing law. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the charge, judgment, or plea occurs.

Sec. 25. Minnesota Statutes 2024, 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 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:

(i) proof of identification including the identification number if the seller is an individual; or

(ii) certificate of authority to transact business in Minnesota and business tax identification number, if the seller is an entity;

(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) the identity or identifier of the employee completing the transaction; and

(9) 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. 26. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended 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.

(1) The application form for an individual must include, at a minimum:

~~(1)~~ (i) the name, permanent address, telephone number, and date of birth of the applicant; and

~~(2)~~ (ii) 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.

(2) The application form for an entity must include, at a minimum:

(i) the name, legal entity type, principal business address, telephone number, and date of formation of the entity; and

(ii) 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. 27. Minnesota Statutes 2024, section 332.32, is amended to read:

332.32 EXCLUSIONS.

(a) The term "collection agency" does not include banks when collecting accounts owed to the banks and when the bank will sustain any loss arising from uncollectible accounts, abstract companies doing an escrow business, real estate brokers, public officers, persons acting under order of a court, lawyers, trust companies, insurance companies, credit unions, savings associations, loan or finance companies unless they are engaged in asserting, enforcing or prosecuting unsecured claims which have been purchased from any person, firm, or association when there is recourse to the seller for all or part of the claim if the claim is not collected.

(b) The term "collection agency" ~~shall~~ does not include a trade association performing services authorized by section 604.15, subdivision 4a, but the trade association in performing the services may not engage in any conduct that would be prohibited for a collection agency under section 332.37.

(c) The term "collection agency" does not include a residential mortgage servicer licensed under chapter 58 or a student loan servicer licensed under chapter 58B if the residential mortgage servicer or student loan servicer is engaging in activities subject to licensure under chapter 58 or 58B, as applicable.

Sec. 28. **REPEALER.**

(a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.

(b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75, subdivision 4, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective January 17, 2027.

ARTICLE 2
TECHNICAL CHANGES

Section 1. Minnesota Statutes 2025 Supplement, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-21a~~ D4806; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 2. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

Subdivision 1. **Issuance and conditions.** An application for a bank charter must be granted if (1) the applicants are of good moral character and financial integrity, (2) there is a reasonable public demand for this bank in this location, (3) the probable volume of business in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, (4) the commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, and (5) the commissioner is satisfied that the capital funds required pursuant to section 48.02 are available and the commissioner may accept any reasonable demonstration including subscription agreements supported by current financial statements. If the application does not satisfy the requirements of this subdivision, it must be denied. In case of the denial of the application, the commissioner of commerce shall specify the grounds for the denial. A person aggrieved may obtain judicial review of the determination in accordance with chapter 14.

Sec. 3. Minnesota Statutes 2024, section 48.195, is amended to read:

48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.

Notwithstanding any law to the contrary, a bank, savings bank, savings association, or credit union organized under the laws of this state, or a national bank or federally chartered savings bank, savings association, or credit union, doing business in this state, may charge on any loan or discount made or upon any note, bill or other evidence of debt, except an extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial paper in effect at the Board of Governors of the Federal Reserve ~~Bank located in the Ninth Federal Reserve District~~ System.

Sec. 4. Minnesota Statutes 2024, section 49.37, is amended to read:

49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION OR MERGER.

(a) Either before or after the consolidation or merger agreement has been approved by the commissioner of commerce, it must be submitted to the stockholders of each corporation at a meeting thereof called, and it does not become binding upon the corporation until it has been approved at each of the meetings required by this section by the vote or ballot of the stockholders, holding at least a majority of the amount of stock of the respective corporations, or a higher percentage as may be required by the certificate of incorporation of the corporations. Proof of the holding of these meetings and the results thereof must be submitted to the commissioner of commerce.

(b) After the agreement called for by sections 49.33 to 49.41 has been approved by the stockholders of the respective corporations and by the commissioner of commerce, the ~~latter shall~~ commissioner of commerce must issue a certificate reciting that the corporations have complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or merger of these corporations and the name of the consolidated or surviving corporation, the amount of capital stock thereof, the names of the first board of directors, and the place of business of the consolidated or surviving corporation, which must be within the city where any of the constituent corporations have been previously authorized to have their places of business.

(c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the Secretary of State,~~ the incorporation is deemed to be complete in the case of the consolidation, and the assets of the constituent corporations merged into the survivor in the case of a merger, and the consolidated or surviving corporation shall, from the date of this certificate, have the term of corporate existence as may be specified in it, not exceeding the longest unexpired term of any constituent corporation. The certificate of the commissioner of commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have been complied with, and is conclusive evidence of the existence of the consolidated or surviving corporation.

Sec. 5. Minnesota Statutes 2024, section 58B.051, is amended to read:

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. 6. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

Subdivision 1. **Annual statements required.** Every insurance company, including fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file with the commissioner~~, annually, on or before March 1,~~ the appropriate verified National Association of Insurance Commissioners' annual statement blank~~,~~ on or before April 30 for all lines of insurance except health, which must be filed on or before May 31. The National Association of Insurance Commissioners' annual statement blank must be prepared in accordance with the

association's instructions handbook and following those accounting procedures and practices prescribed by the association's accounting practices and procedures manual, unless the commissioner requires or finds another method of valuation reasonable under the circumstances. Another method of valuation permitted by the commissioner must be at least as conservative as those prescribed in the association's manual. All companies required to file an annual statement under this subdivision may also be required to file with the commissioner and the National Association of Insurance Commissioners a copy of their annual statement in an electronic form prescribed by the commissioner. All Minnesota domestic insurers required to file annual statements under this subdivision must also file quarterly statements with the commissioner for the first, second, and third calendar quarter on or before 45 days after the end of the applicable quarter, prepared in accordance with the association's instruction handbook. All companies required to file quarterly statements under this subdivision may also be required to file the quarterly statements with the commissioner and the National Association of Insurance Commissioners in an electronic form prescribed by the commissioner. In addition, the commissioner may require the filing of any other information determined to be reasonably necessary for the continual enforcement of these laws. The statement may be limited to the insurer's business and condition in the United States unless the commissioner finds that the business conducted outside the United States may detrimentally affect the interests of policyholders in this state. The statements shall also contain a verified schedule showing all details required by law for assessment and taxation. The statement or schedules shall be in the form and shall contain all matters the commissioner may prescribe, and it may be varied as to different types of insurers so as to elicit a true exhibit of the condition of each insurer.

Sec. 7. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~ A company ~~shall transact~~ is prohibited from transacting any new business in this state after ~~May~~ August 31 in any year unless ~~it shall have~~ the company previously transmitted its annual statement to the commissioner and filed a copy of its statement with the National Association of Insurance Commissioners. The commissioner may by order annually require that each insurer pay the required fee to the National Association of Insurance Commissioners for the filing of annual statements, but the fee shall not be more than 50 percent greater than the fee set by the National Association of Insurance Commissioners. Failure to file the annual statement with the commissioner or the National Association of Insurance Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on the relative premium volume of each insurer.

Sec. 8. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline or requirement specified by this section~~, on receiving, not less than ten days~~ if the commissioner receives a written request for an extension from the company before the date of default~~, satisfactory evidence of imminent hardship to the company~~.

Sec. 9. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-24a~~ D4814. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than biofuel;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or biofuel;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 10. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090;

(2) comply with ASTM specification ~~D4814-24a~~ D4814, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-24a~~ D4814; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 11. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 12. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 6, is amended to read:

Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-24a~~ D4814. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 7, is amended to read:

Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification ~~D396-12~~ D396.

Sec. 14. Minnesota Statutes 2024, section 239.761, subdivision 8, is amended to read:

Subd. 8. **Diesel fuel oil.** (a) When diesel fuel oil is not blended with biodiesel, it must comply with ASTM specification ~~D975-12a~~ D975.

(b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel component must comply with ASTM specification ~~D975-12a~~ D975 and the biodiesel component must comply with ASTM specification ~~D6751-11b~~ D6751.

Sec. 15. Minnesota Statutes 2024, section 239.761, subdivision 9, is amended to read:

Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-08~~ D3699.

Sec. 16. Minnesota Statutes 2024, section 239.761, subdivision 10, is amended to read:

Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM specification ~~D910-11~~ D910.

Sec. 17. Minnesota Statutes 2024, section 239.761, subdivision 11, is amended to read:

Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply with ASTM specification ~~D1655-12~~ D1655.

Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 12, is amended to read:

Subd. 12. **Gas turbine fuel oil.** Fuel oil for use in nonaviation gas turbine engines must comply with ASTM specification ~~D2880-03~~ D2880.

Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 13, is amended to read:

Subd. 13. **E85.** A blend of ethanol and gasoline, containing not more than 85 percent ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification ~~D5798-11~~ D5798.

Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 14, is amended to read:

Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 70 percent methanol and not more than 85 percent methanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification ~~D5797-07~~ D5797.

Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 16, is amended to read:

Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials (ASTM) specification ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

Sec. 22. Minnesota Statutes 2024, section 239.761, subdivision 17, is amended to read:

Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation gasoline must comply with ASTM specification ~~D6227-12~~ D6227.

Sec. 23. Minnesota Statutes 2024, section 239.77, subdivision 1, is amended to read:

Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel fuel and biodiesel fuel between six percent and 20 percent for on-road and off-road diesel-fueled vehicle use. Biodiesel blend must comply with ASTM specification ~~D7467-10~~ D7467.

(b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets American Society for Testing and Materials specification ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

(c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section, unless the palm oil is contained within waste oil and grease collected within the United States or Canada.

Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 7, is amended to read:

Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is used to produce or generate power for propelling internal combustion engine aircraft.

Aviation gasoline includes any gasoline:

(1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation gasoline" that meets specifications in ASTM specification ~~D910-16~~ D910 or any other ASTM specification as gasoline appropriate for use in producing or generating power for propelling internal combustion engine aircraft; or

(2) sold to a dealer of aviation gasoline for dispensing directly into the fuel tank of an aircraft.

Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 8, is amended to read:

Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications in ASTM specification ~~D1655-12~~ D1655.

Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 14, is amended to read:

Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of petroleum distillate and residual fuels that is intended for use as a motor fuel in internal combustion diesel engines and that meets ASTM specification ~~D975-11b~~ D975.

Sec. 27. Minnesota Statutes 2024, section 296A.01, subdivision 19, is amended to read:

Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification ~~D5798-11~~ D5798.

Sec. 28. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 29. Minnesota Statutes 2024, section 296A.01, subdivision 22, is amended to read:

Subd. 22. **Gas turbine fuel oil.** "Gas turbine fuel oil" means fuel that contains mixtures of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign matter, intended for use in nonaviation gas turbine engines, and that meets the specifications in ASTM specification ~~D2880-03~~ D2880.

Sec. 30. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-24a~~ D4814.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-24a~~ D4814 and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 31. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-24a~~ D4814. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 32. Minnesota Statutes 2024, section 296A.01, subdivision 26, is amended to read:

Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of petroleum distillates and residuals, or petroleum residual heating fuel that meets the specifications in ASTM specification ~~D396-12~~ D396.

Sec. 33. Minnesota Statutes 2024, section 296A.01, subdivision 28, is amended to read:

Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic compounds, and excessive amounts of particulate contaminants and that meets the specifications in ASTM specification ~~D3699-08~~ D3699.

Sec. 34. Minnesota Statutes 2024, section 296A.01, subdivision 35, is amended to read:

Subd. 35. **M85.** "M85" means a petroleum product that is a liquid fuel blend of methanol and gasoline that contains at least 70 percent methanol and not more than 85 percent methanol by volume. For the purposes of this chapter, the energy content of M85 will be considered to be 65,000 BTUs per gallon. M85 produced for use as a motor fuel in alternative fuel vehicles, as defined in subdivision 5, must comply with ASTM specification ~~D5797-07~~ D5797.

Sec. 35. **REPEALER.**

Minnesota Statutes 2024, section 48.158, is repealed.

ARTICLE 3
SECURITIES

Section 1. Minnesota Statutes 2024, section 80A.50, is amended to read:

80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL CORPORATE OFFERING REGISTRATION.

(a) **Federal covered securities.**

(1) **Required filing of records.** With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

(A) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 80A.88 signed by the issuer;

(B) after the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(C) to the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission.

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed. A previously filed consent to service of process complying with section 80A.88 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 80A.88 signed by the issuer not later than 15 days after the first sale of the federal covered security in this state.

(4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is a failure to comply with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

(b) **Small corporation offering registration.**

(1) **Registration required.** A security meeting the conditions set forth in this section may be registered as set forth in this section.

(2) **Availability.** Registration under this section is available only to the issuer of securities and not to an affiliate of the issuer or to any other person for resale of the issuer's securities. The issuer must be organized under the laws of one of the states or possessions of the United States. The securities offered must be exempt from registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

(3) **Disqualification.** Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934;

(B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

(v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,

(I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and

(II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

(4) **Filing and effectiveness of registration statement.** A small corporate offering registration statement must be filed with the administrator. If no stop order is in effect and no proceeding is pending under section 80A.54, such registration statement shall become effective automatically at the close of business on the 20th day after filing of the registration statement or the last amendment of the registration statement or at such earlier time as the administrator may designate by rule or order. For the purposes of a nonissuer transaction, other than by an affiliate of the issuer, all outstanding securities of the same class identified in the small corporate offering registration statement as a security registered under this chapter are considered to be registered while the small corporate offering registration statement is effective. A small corporate offering registration statement is effective for one year after its effective date or for any longer period designated in an order under this chapter. A small corporate offering registration statement may be withdrawn only with the approval of the administrator.

(5) **Contents of registration statement.** A small corporate offering registration statement under this section shall be on Form U-7, including exhibits required by the instructions thereto, as adopted by the North American Securities Administrators Association, or such alternative form as may be designated by the administrator by rule or order and must include:

(A) a consent to service of process complying with section 80A.88;

(B) a statement of the type and amount of securities to be offered and the amount of securities to be offered in this state;

(C) a specimen or copy of the security being registered, unless the security is uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents in effect, and a copy of any indenture or other instrument covering the security to be registered;

(D) a signed or conformed copy of an opinion of counsel concerning the legality of the securities being registered which states whether the securities, when sold, will be validly issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

(E) the states (i) in which the securities are proposed to be offered; (ii) in which a registration statement or similar filing has been made in connection with the offering including information as to effectiveness of each such filing; and (iii) in which a stop order or similar proceeding has been entered or in which proceedings or actions seeking such an order are pending;

(F) a copy of the offering document proposed to be delivered to offerees; and

(G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 80A.46(17)(B).

(6) **Copy to purchaser.** A copy of the offering document as filed with the administrator must be delivered to each person purchasing the securities prior to sale of the securities to such person.

(c) **Offering limit.** Offers and sales of securities under a small corporate offering registration as set forth in this section are allowed up to the limit prescribed by Code of Federal Regulations, title 17, part 230.504 (b)(2), as amended.

(d) **Regulation A - Tier 2 filing requirements.**

(1) **Initial filing.** An issuer planning to offer and sell securities in Minnesota in an offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before the date of the initial sale of securities in Minnesota, submit to the administrator:

(A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the documents filed with the Securities Exchange Commission; and

(B) a consent to service of process on Form U-2, if consent to service of process is not provided in the Regulation A - Tier 2 offering notice filing form.

The initial notice filing made in Minnesota is effective for 12 months after the date the filing is made.

(2) **Renewal.** For each additional 12-month period in which the same offering is continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing must be made on or before the date notice filing expires.

(3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting a Regulation A - Tier 2 offering notice filing form or other document describing the transaction.

(e) **Notice filing requirement for federal crowdfunding offerings.** This paragraph applies to offerings made under Regulation Crowdfunding, Code of Federal Regulations, title 17, part 227, and sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933, United States Code, title 15, sections 77d(A)(6) and 77r(b)(4)(C).

(1) **Initial filing.** An issuer that (i) offers and sells securities in Minnesota in an offering exempt under federal Regulation Crowdfunding, and (ii) has a principal place of business in Minnesota or sells at least 50 percent of the offering's aggregate amount to Minnesota residents, must file with the administrator:

(A) a completed Uniform Notice of Federal Crowdfunding Offering form or copies of all documents filed with the Securities and Exchange Commission; and

(B) if the issuer is not filing on the Uniform Notice of Federal Crowdfunding Offering form, consent to service of process on Form U-2.

If the issuer's principal place of business is in Minnesota, the initial filing must be submitted with the administrator when the issuer makes the issuer's initial Form C filing concerning the offering with the Securities and Exchange Commission. If the issuer's principal place of business is not in Minnesota but Minnesota residents have purchased at least 50 percent of the aggregate amount of the offering, the filing must be submitted when the issuer becomes aware that the aggregate purchases made by Minnesota residents meets the threshold, but no later than 30 days after the date the offering is complete. The initial notice filing is effective for a 12-month period beginning on the date the initial filing is submitted to the administrator.

(2) **Renewal.** For each additional 12-month period in which a single offering is continued, an issuer conducting an offering under federal Regulation Crowdfunding may renew the issuer's notice filing by filing with the administrator on or before the date the current notice filing expires:

(A) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked "renewal"; or

(B) a cover letter or other document requesting renewal.

(3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting (i) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked "amendment," or (ii) another document that describes the modified transaction.

Sec. 2. Minnesota Statutes 2025 Supplement, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the administrator; ~~and~~

(3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures established under this clause. The procedures must designate by name or title a number of supervisory employees that is reasonable relative to the number of the broker-dealer's registered agents, offices, and transactions in Minnesota. A copy of the written procedures and the system to apply the procedures must be kept and maintained at each branch office affiliated with the broker-dealer. A broker-dealer may use electronic media in accordance with FINRA Rule 3110.11, or any successor federal law, to satisfy its obligation under this paragraph; and

~~(3)~~ (4) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) **Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least $25,000, but not to exceed $100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization, the North American Securities Administrators Association, or the commissioner.

(j) **Business continuity and succession plan.** An investment adviser registered or required to be registered under this chapter must establish, maintain, and enforce written policies and procedures relating to business continuity and succession planning. At a minimum, the policies and procedures under this paragraph must provide:

(1) a means to protect, back up, and recover books and records;

(2) an alternate method to provide notice to customers; key personnel; employees; vendors; service providers, including third-party custodians; and regulators, regarding issues pertaining to the investment adviser's business operations, including but not limited to significant business interruption, the death or unavailability of key personnel, other disruption to business activities, or ceasing business operations;

(3) a plan to relocate the office space for a principal place of business that is subject to a temporary or permanent loss;

(4) a plan to assign duties to qualified responsible persons if key personnel die or are otherwise unavailable; and

(5) a plan to otherwise minimize service disruption and client harm that might result from sudden and significant business interruption.

(k) **Physical security and cybersecurity policies and procedures.** An investment adviser registered or required to be registered under this chapter must establish, implement, update, and enforce written physical security and cybersecurity policies and procedures that are designed to ensure the confidentiality, integrity, and availability of physical and electronic records and information. The policies and procedures must be tailored to the investment adviser's business model and must take into account the investment adviser's business size, type of service provided, and number of locations.

(1) The physical security and cybersecurity policies and procedures must:

(A) protect against reasonably anticipated threats or hazards to the security or integrity of client records and information;

(B) ensure that the investment adviser protects confidential client records and information; and

(C) protect client records and information that, if released, might result in harm or inconvenience to the client.

(2) At a minimum, the physical security and cybersecurity policies and procedures must develop and implement:

(A) an organizational understanding to manage information security risk with respect to systems, assets, data, and capabilities;

(B) safeguards to ensure delivery of critical infrastructure services;

(C) actions and tools to identify when an information security event occurs;

(D) actions to take when an information security event is detected; and

(E) plans for security and system resilience, and to restore capabilities or services that are impaired due to an information security event.

(3) At the time a client engages an investment adviser and on an annual basis thereafter, an investment adviser must deliver to the client a privacy policy that is reasonably designed to assist the client understand how the investment adviser collects and shares, to the extent permitted by state and federal law, nonpublic personal information. If information in the policy becomes materially inaccurate, the investment adviser must promptly update and deliver an amended privacy policy to the client.

(l) **Written confirmation.** A broker-dealer must promptly provide to the customer a written confirmation at or before completing a transaction in accordance with FINRA Rule 2232, or any successor federal law. The confirmation must:

(1) describe the security purchased or sold, the date of the transaction, the price of the security purchased or sold, and any commission charged;

(2) indicate whether the broker-dealer acted for the broker-dealer's account, as an agent for a customer, as an agent for another person, or as an agent for both a customer and another person;

(3) if the broker-dealer is acting as an agent for a customer, include (i) the name of the person who purchased the security, (ii) the name of the person who sold the security, or (iii) a statement that the information in item (i) or (ii) is available to a customer on request if the broker-dealer knows the information or is able to ascertain the information with reasonable diligence;

(4) indicate whether the transaction was unsolicited; and

(5) indicate the name of the agent that executed the transaction.

A broker-dealer that complies with Securities and Exchange Commission Rule 10b-10, Code of Federal Regulations, title 17, part 240.10b-10, or article III, section 12, of the Financial Industry Regulatory Authority Rules of Fair Practice, complies with this paragraph.

(m) **Conditions; stipulations; provisions.** A broker-dealer is prohibited from entering into a contract with a customer if the contract contains a condition, stipulation, or provision that binds the customer to waive rights under chapter 80A; Minnesota Rules, chapter 2876; or an order issued by the commissioner. A condition, stipulation, or provision included in a contract subject to this paragraph is void.

(n) **Principal office; employment.** A broker-dealer whose principal office is located in Minnesota must have at least one registered person employed on a full-time basis at the principal office located in Minnesota. This paragraph does not apply to a broker-dealer engaged solely in offering and selling:

(1) interests in a direct participation program; or

(2) securities issued by open-end investment companies, face amount certificate companies, or unit investment trusts registered under the Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64.

Sec. 3. Minnesota Statutes 2024, section 80A.69, is amended to read:

80A.69 SECTION 502; PROHIBITED CONDUCT IN PROVIDING INVESTMENT ADVICE.

(a) **Fraud in providing investment advice.** It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities:

(1) to employ a device, scheme, or artifice to defraud another person; or

(2) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

(b) **Rules defining fraud.** A rule adopted under this chapter may define an act, practice, or course of business of an investment adviser or an investment adviser representative, other than a supervised person of a federal covered investment adviser, as fraudulent, deceptive, or manipulative, and prescribe means reasonably designed to prevent investment advisers and investment adviser representatives, other than supervised persons of a federal covered investment adviser, from engaging in acts, practices, and courses of business defined as fraudulent, deceptive, or manipulative.

(c) **Rules specifying contents of advisory contract.** A rule adopted under this chapter may specify the contents of an investment advisory contract entered into, extended, or renewed by an investment adviser.

Sec. 4. **[80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL BUSINESS PRACTICES.**

Subdivision 1. **Broker-dealers; standards and principles.** A broker-dealer must observe high standards of commercial honor and just and equitable principles of trade when conducting the broker-dealer's business. An act or practice that is contrary to the standards constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's registration or to take other action authorized by statute. For purposes of this subdivision, an act or practice that is contrary to the standards includes:

(1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i) delivering securities purchased by a customer; or (ii) upon request, paying free credit balances reflecting a customer's completed transactions;

(2) inducing trading in a customer's account that is excessive in size or frequency considering the account's financial resources and character;

(3) recommending that a customer purchase, sell, or exchange a security without reasonable grounds to believe the transaction or recommendation is suitable for the customer, based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial situation, and needs; and (ii) other relevant information known by the broker-dealer;

(4) making a recommendation of any security transaction or investment strategy involving securities, including account recommendations, to a retail customer if the recommendation does not comply with the obligations set forth in Code of Federal Regulations, title 17, section 240.15l-1;

(5) executing a transaction on behalf of a customer without the customer's authorization;

(6) exercising discretionary power to effect a transaction for a customer's account without first obtaining written discretionary authority from the customer, unless the discretionary power relates solely to the time the order is executed or the order's price;

(7) executing a transaction in a margin account without securing from the customer a properly executed written margin agreement promptly after the account's initial transaction;

(8) failing to segregate customers' free securities or securities held in safekeeping;

(9) hypothecating a customer's securities without having a lien on the customer's securities, unless the broker-dealer secures the customer's properly executed written consent promptly after the initial transaction, except as permitted by Securities and Exchange Commission regulations;

(10) entering into a transaction with or for a customer at a price that is not reasonably related to the security's current market price, or receiving an unreasonable commission or profit;

(11) failing to furnish to a customer purchasing securities in an offering, no later than the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary prospectus and an additional document that, when combined with the preliminary prospectus, includes all of the information included in the final prospectus;

(12) charging an unreasonable or inequitable fee for services performed, including: (i) miscellaneous services that include but are not limited to collecting money due for principal, dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or maintaining custody of securities; and (ii) other services related to the broker-dealer's securities business;

(13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared to purchase or sell at the stated price and under the stated conditions at the time the offer to buy or sell is made;

(14) representing that a security is being offered to a customer "at the market" or at a price relevant to the market price, unless the broker-dealer knows or has reasonable grounds to believe a market for the security exists other than the market made, created, or controlled by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom the broker-dealer is associated with respect to the security's distribution; or (iii) a person controlled by, controlling, or under common control with the broker-dealer;

(15) effecting a transaction in, or inducing the purchase or sale of, a security using a manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance, which includes but is not limited to:

(i) effecting a transaction in a security that involves no change in the security's beneficial ownership;

(ii) entering an order to purchase or sell a security with the knowledge that at least one other order for the same security that is substantially the same size, entered at substantially the same time, and for substantially the same price as the order has been or will be entered by or for the same or a different party to create (A) a false or misleading appearance of active trading in the security, or (B) a false or misleading appearance with respect to the market for the security. This item does not prohibit a broker-dealer from entering bona fide agency cross transactions for the broker-dealer's customers; or

(iii) effecting, alone or with another person, a series of transactions in a security that creates actual or apparent active trading in the security, or raises or reduces the price of the security, to induce others to purchase or sell the security;

(16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a securities transaction effected by the broker-dealer with or for the customer;

(17) publishing or circulating, or causing to be published or circulated, a notice, circular, advertisement, newspaper article, investment service, or communication of any kind that purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote the bid price or asked price for a security, unless the broker-dealer believes the quote represents a bona fide bid for or offer of the security;

(18) using an advertising or sales presentation in a manner that is deceptive or misleading, including but not limited to distributing: (i) nonfactual data, material, or a presentation based on conjecture, unfounded claims, or unrealistic claims; or (ii) assertions in a brochure, flyer, or display using words, pictures, graphs, or other representations that are designed to supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

(19) failing to disclose to a customer, before entering into a contract with or for a customer to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated with, or under common control with the security's issuer. If a disclosure under this clause is not made in writing, the disclosure must be supplemented by giving or sending written disclosure before or at the time the transaction is completed;

(20) failing to make a bona fide public offering of all of the securities allotted to a broker-dealer for distribution, whether the securities are acquired as an underwriter, as a selling group member, or from a member participating in the distribution as an underwriter or selling group member;

(21) failing or refusing to: (i) furnish a customer, upon reasonable request, information the customer is entitled to; or (ii) respond to a formal written request or complaint;

(22) failing to pay and fully satisfy a final judgment or arbitration award resulting from an arbitration or court proceeding relating to an investment and initiated by the customer, unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies with the terms of the alternative payment arrangement;

(23) attempting to avoid paying a final judgment or arbitration award resulting from an arbitration or court proceeding relating to an investment and initiated by the customer, unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies with the terms of the alternative payment arrangement;

(24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or broker-dealer's agent by the Securities and Exchange Commission, a state or provincial securities or other financial services regulator, or a self-regulatory organization;

(25) accessing a client's account by using the client's unique identifying information, including but not limited to the client's username and password;

(26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ security, failing to promptly provide the most current prospectus or the most recently filed periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a customer;

(27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

(28) for each month in which activity has occurred in a customer's account and no less frequently than once every three months regardless of whether customer account activity has occurred, failing to provide the customer with an account statement that, with respect to all over-the-counter non-NASDAQ equity securities in the account, contains a value for each security based on the closing market bid on a date certain. This clause applies only if the broker-dealer has been a market maker in the security at any time during the month in which the monthly or quarterly statement is issued; or

(29) failing to comply with an applicable provision of the Financial Industry Regulatory Authority conduct rules or an applicable fair practice or ethical standard promulgated by the Securities and Exchange Commission or a self-regulatory organization approved by the Securities and Exchange Commission.

Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent must observe high standards of commercial honor and just and equitable principles of trade when conducting the broker-dealer's agent's business. An act or practice that is contrary to the standards constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's agent's registration or to take other action authorized by statute. For purposes of this subdivision, an act or practice that is contrary to the standards includes:

(1) lending to or borrowing from a customer money or securities, or acting as a custodian for a customer's money, securities, or executed stock power, unless otherwise permissible under FINRA Rule 3240 or any successor federal law;

(2) effecting securities transactions that are not recorded on the regular books or records maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions are authorized in writing by the broke-dealer before executing the transaction or exempt as subscription-way transactions under Rule 17a-3 of the Securities Exchange Act of 1934 or any successor federal law;

(3) establishing or maintaining an account that contains fictitious information in order to execute transactions that are otherwise prohibited;

(4) sharing directly or indirectly in profits or losses in a customer account without the written authorization from the customer and the broker-dealer the broker-dealer's agent represents;

(5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or other compensation from purchasing or selling securities with a person who is not also registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under direct or indirect common control or unless otherwise allowed under Securities and Exchange Commission rules, guidance, or authorization; or

(6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6), (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages in other conduct, including but not limited to forgery, embezzlement, nondisclosure, incomplete disclosure, misstatement of material facts, or manipulative or deceptive practices, is also subject to denial, suspension, or revocation of registration.

Sec. 5. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing, may issue a cease and desist order and may issue an order denying, suspending or revoking any registration, amendment or exemption on finding any of the following:

~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or employee thereof or any other person has violated or failed to comply with any provision of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon purchasers or would so operate;

~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or employee thereof or any other person is engaging or about to engage in false, fraudulent or deceptive practices in connection with the offer and sale of a franchise;

~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted of an offense or held liable in a civil action by final judgment described in section 80C.04, subdivision 1, paragraph (e), clause ~~(5)~~ (1), has a civil or criminal action pending as described in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order~~, or has had a civil judgment entered against the person as described in section 80C.04, clause (5),~~ described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the involvement of the person in the business of the applicant or franchisor creates a substantial risk to prospective franchisees;

~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include activities which are illegal where performed; or

~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation of the business of the franchisor or any term or condition of the franchise agreement or any practice of the franchisor is or would be unfair or inequitable to franchisees.

ARTICLE 4
UNCLAIMED PROPERTY

Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value used as a medium of exchange, unit of account, or store of value that does not have legal tender status recognized by the United States. Virtual currency does not include:

(1) software or protocols governing the transfer of the digital representation of value;

(2) game-related digital content; or

(3) a loyalty card or gift card.

Sec. 2. **[345.382] FUNDS HELD FOR THE PREPAYMENT OF FUNERAL-RELATED EXPENSES.**

Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related expenses are presumed abandoned at the earliest of:

(1) three years after the date of death of the beneficiary;

(2) one year after the date the beneficiary has attained, or would have attained if living, the age of 105, if the holder does not know whether the beneficiary is deceased; or

(3) 30 years after the contract for prepayment was executed.

Sec. 3. **[345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN TAX-DEFERRED ACCOUNTS.**

Property held in a plan described in section 529 or 529A of the Internal Revenue Code, as amended, are exempt from the requirements of sections 345.31 to 345.60.

Sec. 4. **[345.384] VIRTUAL CURRENCY.**

(a) Virtual currency is presumed abandoned three years after the apparent owner's latest indication of interest in the virtual currency.

(b) For purposes of this section, an indication of an apparent owner's interest in virtual currency includes:

(1) a record communicated by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held;

(2) an oral communication by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held, if the holder or its agent contemporaneously makes and preserves a record of the fact of the apparent owner's communication;

(3) a distribution, or evidence of receipt of a distribution made by electronic or similar means; or

(4) activity directed by an apparent owner in the account in which the property is held, including accessing the account or information concerning the account, or a direction by the apparent owner to increase, decrease, or otherwise change the amount or type of virtual currency held in the account.

(c) An action by an agent or other representative of an apparent owner, other than the holder acting as the apparent owner's agent, is presumed to be an action on behalf of the apparent owner.

(d) A communication with an apparent owner by a person other than the holder or the holder's representative is not an indication of interest in the property by the apparent owner unless a record of the communication evidences the apparent owner's knowledge of a right to the property.

Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to read:

Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual currency, the holder must liquidate the virtual currency and remit the proceeds to the commissioner.

(b) The liquidation must occur anytime within 30 days before filing the report under section 345A.26. The owner does not have recourse against the holder or the commissioner to recover any gain in value that occurs after the liquidation of the virtual currency under this subdivision.

(c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual currency to be liquidated, the holder must promptly notify the commissioner in writing and explain the reasons the virtual currency cannot be liquidated. The commissioner has absolute and sole discretion to direct the holder to:

(1) transfer the virtual currency that cannot be liquidated to a custodian selected by the commissioner; or

(2) continue to hold the virtual currency until the commissioner or the holder determines that the virtual currency can be liquidated pursuant to this chapter."

Delete the title and insert:

"A bill for an act relating to commerce; modifying various consumer protections for insurance and financial products; prohibiting virtual-currency kiosks; modifying various provisions governing securities broker-dealers and broker-dealers' agents; making technical changes to various provisions governed or administered by the Department of Commerce; modifying and adding provisions governing unclaimed property; providing penalties; amending Minnesota Statutes 2024, sections 46.044, subdivision 1; 48.195; 49.37; 53B.69, subdivision 10; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.13, subdivisions 1, 6; 72A.061, subdivision 5; 72A.18, subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80A.50; 80A.69; 80C.12, subdivision 1; 80G.01, subdivision 5a; 239.761, subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 239.77, subdivision 1; 296A.01, subdivisions 7, 8, 14, 19, 22, 26, 28, 35; 325E.21, subdivisions 1b, 2c; 332.32; 345.31, by adding a subdivision; 345.43, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 41A.09, subdivision 2a; 58B.02, subdivision 8a; 80A.66; 239.761, subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 80A; 82B; 82C; 345; repealing Minnesota Statutes 2024, sections 48.158; 53B.69, subdivisions 3b, 3c; 53B.75, subdivisions 1, 2, 3, 4, 5."

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4192, A bill for an act relating to natural resources; providing for fraud prevention in registrations, licenses, passes, and permits issued by the commissioner; providing criminal penalties; amending Minnesota Statutes 2024, sections 84.82, by adding a subdivision; 84.8205, by adding a subdivision; 85.053, by adding a subdivision; 97A.311, subdivisions 1, 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 84; 85; 86B.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Environment and Natural Resources Finance and Policy.

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 4195, A bill for an act relating to children, youth, and families; modifying grants to youth intervention programs; amending Minnesota Statutes 2024, section 142A.43.

Reported the same back with the following amendments:

Page 3, after line 16, insert:

"Sec. 2. Laws 2025, First Special Session chapter 3, article 22, section 20, subdivision 2, is amended to read:

Subd. 2. **Youth Intervention Programs Association Grant**

Notwithstanding the percentage requirement under Minnesota Statutes, section 142A.43, subdivision 3, $355,000 in fiscal year 2026 ~~and $355,000 in fiscal year 2027 are~~ is for a grant to the

Minnesota Youth Intervention Programs Association for collaboration, program development, professional development training, technical assistance, tracking, and analyzing and reporting outcome data for the community-based grantees of the program."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying appropriations;"

Correct the title numbers accordingly

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 4200, A bill for an act relating to cannabis; providing that data reported to the Office of Cannabis Management through statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; amending Minnesota Statutes 2024, section 342.20, subdivisions 1, 2, 3.

Reported the same back with the following amendments:

Page 2, lines 2 and 12, reinstate the stricken language

Page 2, line 14, reinstate the stricken language and delete the new language

Page 2, delete lines 15 to 16

Page 2, after line 18, insert:

"(b) The status of the applicant's application, except for an applicant's status as a social equity applicant, is public data."

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4203, A bill for an act relating to cannabis; modifying studies and an annual market analysis conducted by the Office of Cannabis Management; requiring reports; amending Minnesota Statutes 2025 Supplement, section 342.04.

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

The report was adopted.

Kresha and Youakim from the Committee on Education Finance to which was referred:

H. F. No. 4213, A bill for an act relating to education finance; making forecast adjustments to prekindergarten through grade 12 education programs; appropriating money; amending Laws 2025, First Special Session chapter 10, article 1, section 28, subdivisions 2, 3, 5, 8, 10, 11, 12; article 2, section 24, subdivisions 2, 14, 15, 24; article 3, section 15, subdivisions 3, 13; article 5, section 19, subdivision 2; article 6, section 6, subdivisions 2, 7; article 7, section 11, subdivisions 2, 4, 7, 8, 9; article 8, section 18, subdivisions 3, 6; article 9, section 11, subdivisions 2, 3, 4, 6, 10; article 10, section 10, subdivisions 3, 4, 6; article 11, section 2, subdivisions 2, 4.

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 4316, A bill for an act relating to children and families; modifying child care background study notification requirements; making child care leadership responsible for maltreatment at centers; modifying maltreatment notification requirements; amending Minnesota Statutes 2024, sections 245C.17, subdivision 3; 260E.30, subdivisions 2, 5; Minnesota Statutes 2025 Supplement, section 260E.30, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 142B.16, subdivision 1, is amended to read:

Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The correction order or conditional license must state the following in plain language:

(1) the conditions that constitute a violation of the law or rule;

(2) whether the conditions were self-reported by the applicant or license holder;

~~(2)~~ (3) the specific law or rule violated;

~~(3)~~ (4) the time allowed to correct each violation; and

~~(4)~~ (5) if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 142B.18, prior to issuing a correction order or conditional license.

(c) The commissioner may issue a correction order and an order of conditional license to the applicant or license holder through the provider licensing and reporting hub.

EFFECTIVE DATE. This section is effective January 15, 2027.

Sec. 2. Minnesota Statutes 2024, section 142B.16, is amended by adding a subdivision to read:

Subd. 5a. **Posting orders on department website.** If the commissioner posts an order of conditional license or a correction order for a licensed family child care provider or child care center on the department's website, the summary information posted for the order must include, at a minimum, whether the license holder self-reported the conditions that constitute the violation of law or rule cited in the order.

EFFECTIVE DATE. This section is effective January 15, 2027.

Sec. 3. Minnesota Statutes 2024, section 142B.17, subdivision 1, is amended to read:

Subdivision 1. **Fix-it ticket.** (a) In lieu of a correction order under section 142B.16, the commissioner shall issue a fix-it ticket to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be eligible for a fix-it ticket;

(2) the violation does not imminently endanger the health, safety, or rights of the persons served by the program;

(3) the license holder did not receive a fix-it ticket or correction order for the violation at the license holder's last licensing inspection;

(4) the violation can be corrected at the time of inspection or within 48 hours, excluding Saturdays, Sundays, and holidays; and

(5) the license holder corrects the violation at the time of inspection or agrees to correct the violation within 48 hours, excluding Saturdays, Sundays, and holidays.

(b) The fix-it ticket must state:

(1) the conditions that constitute a violation of the law or rule;

(2) whether the conditions were self-reported by the license holder;

~~(2)~~ (3) the specific law or rule violated; and

~~(3)~~ (4) that the violation was corrected at the time of inspection or must be corrected within 48 hours, excluding Saturdays, Sundays, and holidays.

(c) The commissioner shall not publicly publish a fix-it ticket on the department's website.

(d) Within 48 hours, excluding Saturdays, Sundays, and holidays, of receiving a fix-it ticket, the license holder must correct the violation and within one week submit evidence to the licensing agency that the violation was corrected.

(e) If the violation is not corrected at the time of inspection or within 48 hours, excluding Saturdays, Sundays, and holidays, or the evidence submitted is insufficient to establish that the license holder corrected the violation, the commissioner must issue a correction order for the violation of Minnesota law or rule identified in the fix-it ticket according to section 142B.16.

EFFECTIVE DATE. This section is effective January 15, 2027.

Sec. 4. Minnesota Statutes 2025 Supplement, section 142B.171, subdivision 2, is amended to read:

Subd. 2. **Documented technical assistance.** (a) In lieu of a correction order under section 142B.16, the commissioner shall provide documented technical assistance to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be low risk as determined by the child care weighted risk system;

(2) the noncompliance does not imminently endanger the health, safety, or rights of the persons served by the program; and

(3) the license holder did not receive documented technical assistance or a correction order for the same violation at the license holder's most recent annual licensing inspection.

(b) Documented technical assistance must include communication from the commissioner to the license holder that:

(1) states the conditions that constitute a violation of a law or rule;

(2) identifies whether the conditions were self-reported by the license holder;

~~(2)~~ (3) references the specific law or rule violated; and

~~(3)~~ (4) explains remedies for correcting the violation.

EFFECTIVE DATE. This section is effective January 15, 2027.

Sec. 5. Minnesota Statutes 2024, section 142B.18, is amended by adding a subdivision to read:

Subd. 6a. **Indication of self-report.** (a) For an order of license suspension, a temporary immediate suspension, a fine, or a revocation issued by the commissioner to a licensed family child care provider or child care center under this section, the order must indicate whether the conditions that constitute the violation of law or rule were self-reported by the license holder.

(b) If the commissioner posts an order of license suspension, a temporary immediate suspension, a fine, or a revocation for a licensed family child care provider or child care center on the department's website, the summary information posted for the order must include, at a minimum, whether the license holder self-reported the conditions that constitute the violation of law or rule cited in the order.

EFFECTIVE DATE. This section is effective January 15, 2027.

Sec. 6. Minnesota Statutes 2024, section 142B.61, is amended by adding a subdivision to read:

Subd. 3. **Education on recognizing physical abuse.** (a) Upon a child's enrollment, a licensed child care center and family child care provider must provide parents and caregivers with written materials approved by the commissioner according to paragraph (c) on how to recognize the signs of physical abuse and neglect in infants and children and how to report suspected physical abuse or neglect. The parent or caregiver enrolling the child must sign an attestation that they received the written materials.

(b) A licensed child care center and family child care provider must post and maintain a poster approved by the commissioner according to paragraph (c). The poster must be posted in a place that is visible to people receiving services and all visitors to the facility.

(c) The commissioner, in consultation with the commissioner of health, must:

(1) approve written materials to educate parents and caregivers on how to recognize the signs of physical abuse and neglect in infants and children and how to report suspected physical abuse or neglect. At a minimum, the materials must be available in English and the three most commonly spoken non-English languages in the state as determined by the state demographer for the previous calendar year;

(2) approve a poster to educate parents and caregivers on how to recognize the signs of physical abuse and neglect in infants and children and how to report suspected physical abuse or neglect; and

(3) review and update the written materials and poster every five years.

EFFECTIVE DATE. This section is effective January 15, 2027."

Delete the title and insert:

"A bill for an act relating to children; modifying licensing actions to indicate whether a violation was self-reported; requiring child care programs to give parents materials on how to recognize abuse; amending Minnesota Statutes 2024, sections 142B.16, subdivision 1, by adding a subdivision; 142B.17, subdivision 1; 142B.18, by adding a subdivision; 142B.61, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 142B.171, subdivision 2."

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4317, A bill for an act relating to public safety; providing access to surplus badges for certain peace officers; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Page 1, line 10, before the semicolon, insert ". The person must be in good standing or have retired from the agency in good standing"

Page 1, after line 11, insert:

"(b) A surplus badge provided under this section is decommissioned and may not be used by a peace officer in the performance of their duties."

Reletter the paragraphs in sequence

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4333, A bill for an act relating to insurance; establishing a supplemental health insurance product to cover short-term home health and nursing care; providing civil penalties; amending Minnesota Statutes 2024, sections 62A.135, subdivision 1; 62A.46, subdivision 2; 72A.13, subdivision 1; 256B.0913, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

The report was adopted.

Anderson, P. H., and Hansen, R., from the Committee on Agriculture Finance and Policy to which was referred:

H. F. No. 4350, A bill for an act relating to agriculture; modifying agriculture policy provisions; amending Minnesota Statutes 2024, sections 17.81, by adding a subdivision; 18.77, subdivision 12, by adding subdivisions; 18.771; 18.79, subdivision 2; 18.81, subdivision 3; 18.82; 18.83, subdivision 3; 18.86; 18.91, subdivision 2; 18C.005, subdivisions 6, 6a, 25, 33, by adding a subdivision; 28A.0752; Minnesota Statutes 2025 Supplement, sections 18.79, subdivision 3; 28A.04, subdivision 1; 28A.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 18C; repealing Minnesota Statutes 2024, sections 18.77, subdivision 14; 28A.075.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 2024, section 17.4986, subdivision 2, is amended to read:

Subd. 2. **Licensed facilities.** (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, catfish, or species on the VHS-susceptible-species list and sperm from any source to a standard facility;

(2) trout, salmon, catfish, or species on the VHS-susceptible-species list from a nonemergency enzootic disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs ~~with enteric redmouth, whirling disease, or furunculosis~~ from sources that test positive for *Yersinia ruckeri*, *Myxobolus cerebralis*, *Tetracapsuloides bryosalmonae*, *Aeromonas salmonicida*, epizootic epitheliotropic disease virus, or viral hemorrhagic septicemia may be imported following treatment approved by the commissioner, and fish ~~with bacterial kidney disease or viral hemorrhagic septicemia~~ or eggs from sources that test positive for *Renibacterium salmoninarum* may be imported into areas where the ~~disease~~ pathogen has been identified as being present; and

(3) trout, salmon, catfish, or species on the VHS-susceptible-species list from a facility in a nonemergency enzootic disease area with a disease-free history of three years or more to a standard facility, except that eggs ~~with enteric redmouth, whirling disease, or furunculosis~~ from sources that test positive for *Yersinia ruckeri*, *Myxobolus cerebralis*, *Tetracapsuloides bryosalmonae*, *Aeromonas salmonicida*, epizootic epitheliotropic disease virus, or viral hemorrhagic septicemia may be imported following treatment approved by the commissioner, and fish ~~with bacterial kidney disease or viral hemorrhagic septicemia~~ or eggs from sources that test positive for *Renibacterium salmoninarum* may be imported into areas where the ~~disease~~ pathogen has been identified as being present.

(b) If a source facility in a nonemergency enzootic disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Sec. 2. Minnesota Statutes 2024, section 17.4986, subdivision 3, is amended to read:

Subd. 3. **Emergency enzootic disease area.** (a) Except as provided under paragraph (b) and as otherwise provided ~~and except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced~~, fish may be imported from emergency enzootic disease areas only as fertilized eggs under the following conditions:

(1) to be imported into a standard facility, fertilized eggs must have a disease-free history for at least five years;

(2) to be imported into a containment facility, fertilized eggs must have a disease-free history for at least three years; or

(3) to be imported into a quarantine facility, fertilized eggs may have a disease-free history of less than three years.

(b) Eggs from sources that test positive for *Yersinia ruckeri*, *Myxobolus cerebralis*, *Tetracapsuloides bryosalmonae*, *Aeromonas salmonicida*, epizootic epitheliotropic disease virus, or viral hemorrhagic septicemia may be imported following treatment approved by the commissioner. Fish or eggs from sources that test positive for *Renibacterium salmoninarum* may be imported into areas where the pathogen has been identified as being present.

Sec. 3. Minnesota Statutes 2024, section 17.4987, is amended to read:

17.4987 STOCKING PRIVATE AQUATIC LIFE.

(a) A person may not release private aquatic life into public waters that are not licensed as part of an aquatic farm without first obtaining a transportation permit from the commissioner. The commissioner may:

(1) deny issuance of a permit if releasing the private aquatic life is not consistent with the management plan for the public waters; and

(2) approve the import, transport, and stocking of fish ~~with bacterial kidney disease or viral hemorrhagic septicemia~~ or eggs from sources that test positive for *Renibacterium salmoninarum* into areas or waters where ~~either disease~~ the pathogen has been identified as being present.

(b) The commissioner shall make management plans available to the public.

(c) If a permit is denied, the commissioner must provide reasons for the denial in writing.

Sec. 4. Minnesota Statutes 2024, section 17.4992, subdivision 2, is amended to read:

Subd. 2. **Restriction on the sale of fish.** (a) Except as provided in paragraph (b), species on the VHS-susceptible-species list must be free of viral hemorrhagic septicemia and species of the family salmonidae or ictaluridae, except bullheads, must be free of certifiable diseases if sold for stocking or transfer to another aquatic farm.

(b) The following exceptions apply to paragraph (a):

(1) eggs ~~with enteric redmouth, whirling disease, or furunculosis~~ from sources that test positive for *Yersinia ruckeri*, *Myxobolus cerebralis*, *Tetracapsuloides bryosalmonae*, *Aeromonas salmonicida*, epizootic epitheliotropic disease virus, or viral hemorrhagic septicemia may be transferred between licensed facilities ~~or stocked~~ following treatment approved by the commissioner;

(2) fish ~~with bacterial kidney disease or viral hemorrhagic septicemia~~ or eggs from sources that test positive for *Renibacterium salmoninarum* may be transferred between licensed facilities or stocked in areas where the ~~disease~~ pathogen has been identified as being present; and

(3) the commissioner may allow transfer between licensed facilities or stocking of fish ~~with enteric redmouth or furunculosis~~ from facilities that test positive for *Yersinia ruckeri* or *Aeromonas salmonicida* when the commissioner determines that doing so would pose no threat to the state's aquatic resources."

Page 11, delete section 21

Page 12, delete section 22

Page 14, delete section 23

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 4366, A bill for an act relating to state government; modifying eligibility for public television station block grants; amending Minnesota Statutes 2024, section 129D.13, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 17, delete "2025" and insert "2024"

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4371, A bill for an act relating to public safety; requiring the Bureau of Criminal Apprehension to perform background checks at the request of the Office of the Legislative Auditor; amending Minnesota Statutes 2025 Supplement, section 299C.76, subdivision 1.

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

The report was adopted.

Anderson, P. H., and Hansen, R., from the Committee on Agriculture Finance and Policy to which was referred:

H. F. No. 4372, A bill for an act relating to agriculture; allowing meat processing training and retention incentive grantees more time to complete projects; amending Laws 2023, chapter 43, article 1, section 2, subdivision 5, as amended.

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 4384, A bill for an act relating to child care; modifying requirements for abusive head trauma training for child care providers; amending Minnesota Statutes 2024, sections 142B.65, subdivision 7; 142B.70, subdivision 6; 142C.12, subdivision 3.

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 4389, A bill for an act relating to children; allowing nonprofit limited liability companies to apply for a license to be a child-placing agency; modifying the timing for a child care background study; modifying provisions on foster care, child placement, and child maltreatment; amending Minnesota Statutes 2024, sections 142B.10, subdivision 18; 245C.04, subdivision 1; 259.83, subdivision 1; 260.67, subdivision 1; 260C.190, subdivision 1; 260C.212, subdivision 4a; Minnesota Statutes 2025 Supplement, section 142B.01, subdivision 15.

Reported the same back with the following amendments:

Page 1, delete section 1

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4410, A bill for an act relating to commerce; prohibiting online sweepstakes games; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety Finance and Policy.

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4425, A bill for an act relating to fraud; increasing the statute of limitations for crimes involving medical assistance fraud or other theft of money belonging to the government; amending Minnesota Statutes 2025 Supplement, section 628.26.

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4437, A bill for an act relating to public safety; prohibiting certain wagers and other activities regarding prediction markets; providing criminal penalties; amending Minnesota Statutes 2024, sections 609.75, subdivision 3; 609.76, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 349.155, subdivision 3, is amended to read:

Subd. 3. **Mandatory disqualifications.** (a) In the case of licenses for manufacturers, distributors, distributor salespersons, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) was convicted of a violation of section 609.7615 in the previous ten years;

~~(4)~~ (5) owes $500 or more in delinquent taxes as defined in section 270C.72;

~~(5)~~ (6) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

~~(6)~~ (7) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor involving theft or fraud; ~~or~~

(2) has ever been convicted of a crime involving gambling; or

(3) was convicted of a violation of section 609.7615 in the previous ten years.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

(2) a contract for the purchase or sale at a future date of securities or other commodities, except as provided in section 609.7615;

(3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;

(4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

(5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;

(6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;

(7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; and

(8) the purchase and sale of State Lottery tickets under chapter 349A.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 3. **[609.7615] PREDICTION MARKETS.**

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

(b) "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or a tournament involving the physical proficiency of one or more players or participants. Athletic event includes horse racing as defined in section 240.01, subdivision 8.

(c) "Esports event" means a competition between individuals or teams using video games in a game; match; contest; series of games, matches, or contests; or tournament or by a person or team against a specified measure of performance that is hosted at a physical location or online.

(d) "Game of skill" means a game, match, or tournament, or a series of games, matches, or tournaments, involving the dexterity or mental skill of one or more players or participants. Game of skill includes an esports event.

(e) "Prediction market" means a system that allows consumers to place a wager on the future outcome of a specified event that is not determined or affected by the performance of the parties to the contract, including but not limited to:

(1) an athletic event or game of skill, or portions thereof or individual performance statistics therein;

(2) any game played with cards, dice, equipment, or any mechanical or electronic device or machine;

(3) a war, a state or national emergency, a natural or human-made disaster, a mass shooting, an act of terrorism, or a public health crisis, or the ancillary effects thereof;

(4) any event or events happening to a natural person or group of people;

(5) a federal, state, or local election or the actions or conduct of the federal, state, or local government or the government's agencies, employees, or officers;

(6) legal actions, including but not limited to a civil or criminal suit, grand jury action, jury trial, settlement, plea, or conviction;

(7) the death, assassination, or attempted killing of a person or group of persons or a mass casualty event;

(8) the weather;

(9) an event in popular culture, including but not limited to awards and the date a piece of entertainment will be released; and

(10) whether a person will make a particular statement.

(f) "Public property" means property owned by the state or a home rule charter or statutory city, county, town, school district, metropolitan or regional agency, public corporation, political subdivision, or special district, as defined in section 6.465.

(g) "Wager" means a contract, including a prediction market contract, whereby the parties to the contract agree to a gain or loss by one to the other of money, property, or benefit.

Subd. 2. **Prediction markets; hosting prohibited.** (a) A person is guilty of a felony if the person, for consideration and as part of a business, directly or indirectly:

(1) creates a prediction market;

(2) operates, manages, or makes available a platform or system that allows consumers to make wagers in a prediction market;

(3) identifies or lists events for use in a prediction market;

(4) holds, controls, or directs the disposition of funds or other things of value used to enter into or settle wagers made in a prediction market;

(5) determines, administers, or enforces the terms, pricing, or settlement of wagers in a prediction market;

(6) regularly or continuously offers or enters into wagers with participants in a prediction market;

(7) sets, influences, or adjusts the prices, odds, or terms at which participants may enter into or exit wagers in a prediction market; or

(8) acts, directly or indirectly, as a counterparty to participants' positions.

(b) A person does not violate paragraph (a) if the person solely provides:

(1) payment processing, banking, or custodial services;

(2) Internet, cloud, or communication services;

(3) advertising, marketing, or media services; or

(4) data, information, or verification services, including the provision of event outcomes, provided that the person does not otherwise engage in activities described in paragraph (a).

Subd. 3. **Prediction markets; prohibited advertisements.** Whoever erects, maintains, or causes to be maintained advertisements or marketing materials related to financial or technological products that promote transactions prohibited under this section is guilty of a felony if:

(1) the advertisement is broadcast between the hours of 8:00 a.m. and 10:00 p.m. local time or during a live broadcast of a sporting event;

(2) the advertisement or marketing materials appear in any print or digital publication or on the radio, television, or any other medium if ten percent or more of the audience of that medium is reasonably expected to be individuals who are under age 21, as determined by reliable, current audience composition data;

(3) the advertisement includes a clear statement that the transaction is authorized or not prohibited under state law;

(4) the operator certified, declared, or otherwise indicated that the product is authorized or not prohibited under state law; or

(5) the advertisement is published, displayed, disseminated, or distributed on public property or within 500 feet of a school or playground.

Subd. 4. **Violation of cease and desist notice.** Any individual, applicant, entity, financial institution, payment processor, geolocation provider, gaming content supplier, third-party processor, platform provider, or media affiliate that continues to knowingly accept, facilitate, or process payments in connection with the participation of another person in unauthorized gaming activity after being issued a cease and desist letter from the attorney general under this subdivision is guilty of a felony.

Subd. 5. **Exceptions.** Subdivision 2 does not apply to:

(1) activities that are not bets under section 609.75, subdivision 3; and

(2) contracts authorized and regulated under chapters 59A to 79A.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; prohibiting certain wagers and other activities regarding prediction markets; making certain criminal convictions a disqualification for receiving a lawful gambling license; providing criminal penalties; amending Minnesota Statutes 2024, sections 349.155, subdivision 3; 609.75, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609."

With the recommendation that when so amended the bill be re-referred to the Committee on Commerce Finance and Policy.

The report was adopted.

Backer and Bierman from the Committee on Health Finance and Policy to which was referred:

H. F. No. 4438, A bill for an act relating to health; changing reporting provisions for the suicide prevention plan and 988 Lifeline; amending Minnesota Statutes 2024, sections 145.56, subdivision 5; 145.561, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 144.059, subdivision 8, is amended to read:

Subd. 8. **Duties.** (a) The council shall consult with and advise the commissioner on matters related to the establishment, maintenance, operation, and outcomes evaluation of palliative care initiatives in the state.

(b) By February 15 of each odd-numbered year, the council shall submit to the chairs and ranking minority members of the committees of the senate and the house of representatives with primary jurisdiction over health care a report containing:

(1) the advisory council's assessment of the availability of palliative care in the state;

(2) the advisory council's analysis of barriers to greater access to palliative care; and

(3) recommendations for legislative action, with draft legislation to implement the recommendations.

(c) The Department of Health shall publish the report ~~each year~~ on the department's website.

Sec. 2. Minnesota Statutes 2024, section 145.56, subdivision 5, is amended to read:

Subd. 5. **Periodic evaluations; biennial reports.** To the extent funds are appropriated for the purposes of this subdivision, the commissioner shall conduct periodic evaluations of the impact of and outcomes from implementation of the state's suicide prevention plan and each of the activities specified in this section. ~~By July 1, 2002, and~~ On July 1 of each even-numbered year ~~thereafter~~, the commissioner shall report the results of these evaluations to the chairs of the policy and finance committees in the house of representatives and senate with jurisdiction over health and human services issues.

Sec. 3. Minnesota Statutes 2024, section 145.561, subdivision 2, is amended to read:

Subd. 2. **988 Lifeline.** (a) The commissioner shall administer the designation of and oversight for a 988 Lifeline center or a network of 988 Lifeline centers to answer contacts from individuals accessing the Suicide and Crisis Lifeline from any jurisdiction within the state 24 hours per day, seven days per week.

(b) The designated 988 Lifeline Center must:

(1) have an active agreement with the 988 Suicide and Crisis Lifeline program for participation in the network and the department;

(2) meet the 988 Lifeline program requirements and best practice guidelines for operational and clinical standards;

(3) provide data and reports, and participate in evaluations and related quality improvement activities as required by the 988 Lifeline program and the department;

(4) identify or adapt technology that is demonstrated to be interoperable across mobile crisis and public safety answering points used in the state for the purpose of crisis care coordination;

(5) facilitate crisis and outgoing services, including mobile crisis teams in accordance with guidelines established by the 988 Lifeline program and the department;

(6) actively collaborate and coordinate service linkages with mental health and substance use disorder treatment providers, local community mental health centers including certified community behavioral health clinics and community behavioral health centers, mobile crisis teams, and community based and hospital emergency departments;

(7) offer follow-up services to individuals accessing the 988 Lifeline Center that are consistent with guidance established by the 988 Lifeline program and the department; and

(8) meet the requirements set by the 988 Lifeline program and the department for serving at-risk and specialized populations.

(c) The commissioner shall adopt rules to allow appropriate information sharing and communication between and across crisis and emergency response systems.

(d) The commissioner, having primary oversight of suicide prevention, shall work with the 988 Lifeline program, veterans crisis line, and other SAMHSA-approved networks for the purpose of ensuring consistency of public messaging about 988 services.

(e) The commissioner shall work with representatives from 988 Lifeline Centers and public safety answering points, other public safety agencies, and the commissioner of public safety to facilitate the development of protocols and procedures for interactions between 988 and 911 services across Minnesota. Protocols and procedures shall be developed following available national standards and guidelines.

(f) The commissioner shall provide ~~an annual~~ a biennial public report on 988 Lifeline usage by July 1 of each even-numbered year, including data on answer rates, abandoned calls, and referrals to 911 emergency response. The biennial report may be included as a section within the state suicide prevention report required under section 145.56.

Sec. 4. Minnesota Statutes 2024, section 145.882, is amended by adding a subdivision to read:

Subd. 9. **Contracting and procurement.** The commissioner is exempt from the contract term limits in chapter 16C for issuance of benefits under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) through an electronic benefit transfer (EBT) system and related services and contracts. These contracts may have an initial term of up to five years, with extensions not to exceed a ten-year total contract duration.

Sec. 5. Minnesota Statutes 2024, section 145.882, is amended by adding a subdivision to read:

Subd. 10. **Management information systems; contracting and procurement.** WIC is exempt from the contract term limits in chapter 16C for the management information systems used for issuance of supplemental nutrition benefits and the WIC EBT systems used for processing the redemptions of supplemental nutrition benefits. These contracts may have an initial term of up to five years, with extensions not to exceed a ten-year total contract duration.

Sec. 6. Minnesota Statutes 2024, section 145A.04, subdivision 15, is amended to read:

Subd. 15. **State and local advisory committees.** (a) A state community health services advisory committee is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, funding, and evaluation of local and Tribal public health services. Each community health board may appoint a member to serve on the committee. Each of Minnesota's federally recognized Tribal Nations may appoint a member to serve on the committee. The committee must meet at least quarterly, and special meetings may be called by the committee chair or a majority of the members. A Tribal Nation may elect to participate at any time. Members or their alternates may be reimbursed for travel and other necessary expenses while engaged in their official duties.

(b) Notwithstanding section 15.059, the State Community Health Services Advisory Committee does not expire.

(c) The city boards or county boards that have established or are members of a community health board may appoint a community health advisory committee to advise, consult with, and make recommendations to the community health board on the duties under subdivision 1a.

Sec. 7. Minnesota Statutes 2024, section 148.517, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** An applicant who applies for licensure as a speech-language pathologist or audiologist by reciprocity must meet the requirements of subdivisions 2 and 3. An applicant for licensure as an audiologist by reciprocity must pass the practical test required under section 148.515, subdivision 6.

Sec. 8. Minnesota Statutes 2024, section 148.517, subdivision 2, is amended to read:

Subd. 2. **Current credentials required.** An applicant applying for licensure by reciprocity must provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology or audiology in another jurisdiction that has requirements equivalent to or higher than those in effect for determining whether an applicant in this state is qualified to be licensed as a speech-language pathologist or audiologist. An applicant who provides sufficient evidence need not meet the requirements of section 148.515, except for section 148.515, subdivision 6, for applicants for licensure as an audiologist, provided that the applicant otherwise meets all other requirements of section 148.514.

Sec. 9. Minnesota Statutes 2024, section 148.5191, subdivision 4, is amended to read:

Subd. 4. **Renewal deadline.** Each license, including a temporary license provided under section 148.5161, must state an expiration date. An application for licensure renewal must be received by the Department of Health ~~or postmarked~~ at least 30 days before the expiration date. ~~If the postmark is illegible, the application shall be considered timely if received at least 21 days before the expiration date.~~

When the commissioner establishes the renewal schedule for an applicant, licensee, or temporary licensee, if the period before the expiration date is less than two years, the fee shall be prorated.

Sec. 10. **REPEALER.**

Minnesota Statutes 2024, section 144.9821, is repealed."

Delete the title and insert:

"A bill for an act relating to health; changing certain reporting provisions; specifying contract term limits for WIC; clarifying members to serve on the state community health services advisory committee; modifying certain speech-language pathologist and audiologist licensing requirements; amending Minnesota Statutes 2024, sections 144.059, subdivision 8; 145.56, subdivision 5; 145.561, subdivision 2; 145.882, by adding subdivisions; 145A.04, subdivision 15; 148.517, subdivisions 1, 2; 148.5191, subdivision 4; repealing Minnesota Statutes 2024, section 144.9821."

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

The report was adopted.

Noor and Schomacker from the Committee on Human Services Finance and Policy to which was referred:

H. F. No. 4447, A bill for an act relating to human services; requiring a report on base grant rider information.

Reported the same back with the following amendments:

Page 1, line 5, delete "September 1" and insert "November 30"

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 4462, A bill for an act relating to state government; requiring state agencies to include a summary page in all requests for proposals; amending Minnesota Statutes 2024, section 16B.97, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures for particular grant programs. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; ~~and~~

(10) selectively review executive agency compliance with best practices~~.~~ ; and

(11) provide a standard template summary page for requests for proposals (RFP) that represent key information about the grant opportunity in a clear and accessible format. The template must include information regarding the purpose of the program, applicant eligibility, funding availability and award structure, grant administration requirements, and the application process. The summary page does not replace or supersede any specific requirement in the full RFP.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b)."

Amend the title as follows:

Page 1, line 2, delete everything after "requiring" and insert "the commissioner to provide a standard template summary page"

Page 1, line 3, delete "in all" and insert "for"

Correct the title numbers accordingly

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 4470, A bill for an act relating to capital investment; appropriating money for a memorial to Melissa Hortman on the site of the State Office Building.

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

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 4482, A bill for an act relating to state government; permitting contracts for state historic sites; amending Minnesota Statutes 2024, section 138.669.

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

The report was adopted.

Backer and Bierman from the Committee on Health Finance and Policy to which was referred:

H. F. No. 4493, A bill for an act relating to health occupations; authorizing pharmacists to initiate, prescribe, administer, and dispense certain drugs for the treatment of opioid use disorder; modifying grounds for disciplinary action for pharmacists and pharmacist interns; amending Minnesota Statutes 2024, sections 151.01, subdivision 27; 151.071, subdivision 2; 151.37, by adding a subdivision; 152.11, subdivision 2; 152.12, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 151.01, subdivision 23.

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

The report was adopted.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4502, A bill for an act relating to financial institutions; establishing a trusted contact program to mitigate financial exploitation and fraud; limiting liability; proposing coding for new law in Minnesota Statutes, chapter 45A.

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

The report was adopted.

Noor and Schomacker from the Committee on Human Services Finance and Policy to which was referred:

H. F. No. 4546, A bill for an act relating to human services; adjustments to forecasted programs for the Department of Human Services and the Department of Children, Youth, and Families.

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

The report was adopted.

Kotyza-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 4548, A bill for an act relating to human services; adjustments to forecasted programs for the Department of Human Services and the Department of Children, Youth, and Families.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 4585, A bill for an act relating to civil law; requiring notification to a petitioner upon service of a harassment restraining order; amending Minnesota Statutes 2024, section 609.748, by adding a subdivision.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety Finance and Policy.

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 4591, A bill for an act relating to state government; modifying eligibility for noncommercial radio station grants; appropriating money; amending Minnesota Statutes 2024, section 129D.14, subdivision 3.

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

The report was adopted.

Backer and Bierman from the Committee on Health Finance and Policy to which was referred:

H. F. No. 4595, A bill for an act relating to health occupations; modifying requirements for licensure by reciprocity for marriage and family therapists; amending Minnesota Statutes 2024, section 148B.35.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

S. F. No. 856, A bill for an act relating to state government; creating the Office of the Inspector General; creating an advisory committee; requiring reports; transferring certain agency duties; placing limits and prohibiting certain programs from receiving public funds; making conforming and technical changes; providing for interagency agreements; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 13.82, subdivision 1; 15A.0815, subdivision 2; 127A.21, subdivisions 1a, 5, by adding subdivisions; 142A.03, by adding a subdivision; 142A.12, subdivision 5; 144.05, by adding a subdivision; 181.932, subdivision 1; 245.095, subdivision 5; 256.01, by adding a subdivision; 609.456, subdivision 2; 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 15D; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21, subdivisions 1, 2, 3, 4, 6, 7.

Reported the same back with the following amendments:

Page 5, line 20, after "authority" insert ", except as directed by enacted law"

Page 8, line 19, after "programs" insert ", with a focus on recipients of public funds and publicly funded services,"

Page 9, line 24, delete everything after "over"

Page 9, line 25, delete everything before "program"

Page 10, after line 3, insert:

"(i) Nothing in this chapter may be construed to limit or interfere with the legislative auditor's authority or responsibility."

Page 12, line 32, delete "public" and insert "executive branch"

Page 12, line 33, after "employees," insert "all political subdivision officials and employees administering state-funded programs,"

Page 14, line 24, delete the second "or"

Page 14, line 25, delete everything after "auditor" and insert "; or"

Page 14, delete line 26 and insert:

"(4) the commissioner of human services as provided in section 15E.25, subdivision 2, paragraph (g)."

Page 15, line 2, after "completion" insert "or referral"

Page 18, line 26, delete "or" and insert "and"

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

S. F. No. 1750, A bill for an act relating to common interest communities; modifying powers and duties of common interest communities; modifying rights of a unit owner; modifying threshold for termination of a common interest community; establishing dispute resolution process; modifying notice of meetings; limiting late fees, fines, and attorney fees; modifying foreclosure requirements; establishing conflict of interest standards for board members; prohibiting local governments from requiring creation of homeowners associations; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-108; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-116; Laws 2024, chapter 96, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 515B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 515B.1-103, is amended to read:

515B.1-103 DEFINITIONS.

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) "Additional real estate" means real estate that may be added to a flexible common interest community.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(A) A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

(B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(C) Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

(3) "Allocated interests" means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.

(4) "Association" means the unit owners' association organized under section 515B.3-101.

(5) "Board" or "Board of Directors" means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

(6) "CIC plat" means a common interest community plat described in section 515B.2-110.

(7) "Common elements" means all portions of the common interest community other than the units.

(8) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

(10) "Common interest community" or "CIC" means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on, one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate which satisfies the definition of a common interest community is a common interest community whether or not it is subject to this chapter. Real estate subject to a master declaration, regardless of when the master declaration was recorded, shall not collectively constitute a separate common interest community unless so stated in the master declaration.

(11) "Condominium" means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(11a) "Construction defect claim" means a civil action or an arbitration proceeding based on any legal theory including, but not limited to, claims under chapter 327A for damages, indemnity, or contribution brought against a development party to assert a claim, counterclaim, cross-claim, or third-party claim for damages or loss to, or the loss of use of, real or personal property caused by a defect in the initial design or construction of an improvement to real property that is part of a common interest community, including an improvement that is constructed on additional real estate pursuant to section 515B.2-111. "Construction defect claim" does not include claims related to subsequent maintenance, repairs, alterations, or modifications to, or the addition of, improvements that are part of the common interest community, and that are contracted for by the association or a unit owner.

(12) "Conversion property" means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied, in whole or in part, for (i) residential use or (ii) for residential rental purposes by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) "Cooperative" means a common interest community in which the real estate is owned by an association, each of whose members is entitled to a proprietary lease by virtue of the member's ownership interest in the association.

(14) "Dealer" means a person in the business of selling units for the person's own account.

(15) "Declarant" means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or a supplemental declaration or amendment to a declaration adding additional real estate, except secured parties, a spouse holding only an inchoate interest, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 to any special declarant rights;

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred; or

(iii) if (A) a unit has been restricted to nonresidential use and sold to a purchaser who has agreed to modify or waive, in whole or in part, sections 515B.4-101 to 515B.4-118, and (B) the restriction expires or is modified or terminated such that residential use of the unit is permitted, the unit owner at the time the restriction expires or is so modified or terminated is a declarant with respect to that unit and any improvements subject to use rights by a purchaser of the unit.

(16) "Declaration" means any instrument, however denominated, that creates a common interest community.

(16a) "Development party" means an architect, contractor, construction manager, subcontractor, developer, declarant, engineer, or private inspector performing or furnishing the design, supervision, inspection, construction, coordination, or observation of the construction of any improvement to real property that is part of a common interest community, or any of the person's affiliates, officers, directors, shareholders, members, or employees.

(17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

(17a) "First mortgage" means either (i) if there is only one mortgage encumbering title to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit, the mortgage that is first in priority, whether by operation of applicable law or by a properly recorded agreement.

(17b) "First mortgagee" means the holder of a first mortgage.

(18) "Flexible common interest community" means a common interest community to which additional real estate may be added.

(18a) "Governing documents" means the declaration, articles of incorporation, bylaws, and rules and regulations of an association as amended.

(19) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(20) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one or more but fewer than all of the units.

(21) "Master association" means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners' associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

(22) "Master declaration" means a written instrument, however named, (i) recorded on or after June 1, 1994, and (ii) complying with section 515B.2-121, subsection (e).

(23) "Master developer" means a person who is designated in the master declaration as a master developer or, in the absence of such a designation, the owner or owners of the real estate subject to the master declaration at the time the master declaration is recorded, except (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer is not a declarant unless the master declaration states that the real estate subject to the master declaration collectively is or collectively will be a separate common interest community.

(24) "Period of declarant control" means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

(25) "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

(26) "Planned community" means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

(26a) "Property manager" means a person with whom the association contracts to perform management services and includes, without limitation, the property manager's employees and agents.

(27) "Proprietary lease" means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

(28) "Purchaser" means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

(29) "Real estate" means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

(30) "Residential use" means use as a dwelling, whether primary, secondary or seasonal, but not (i) transient use such as hotels or motels, (ii) use for residential rental purposes if the individual dwellings are not separate units or if the individual dwellings are not located on separate parcels of real estate. For purposes of this chapter, a unit is restricted to nonresidential use if the unit is subject to a restriction that prohibits residential use as defined in this section whether or not the restriction also prohibits the uses described in this paragraph.

(31) "Secured party" means the person owning a security interest as defined in paragraph (32).

(32) "Security interest" means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, in a cooperative, a lender's interest in a member's ownership interest in the association, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

(33a) This definition of special declarant rights applies only to common interest communities created before August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant to:

(i) complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the CIC is located;

(ii) add additional real estate to a common interest community;

(iii) subdivide or combine units, or convert units into common elements, limited common elements, or units;

(iv) maintain sales offices, management offices, signs advertising the common interest community, and models;

(v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;

(vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;

(vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or

(viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

(33b) This definition of special declarant rights applies only to common interest communities created on or after August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant and expressly identified in the declaration as special declarant rights. Such special declarant rights may include but are not limited to the following:

(i) to complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the common interest community is located, and to have and use easements for itself and its employees, agents, and contractors through the common elements for such purposes;

(ii) to add additional real estate to a common interest community;

(iii) to subdivide or combine units, or convert units into common elements, limited common elements and/or units, pursuant to section 515B.2-112;

(iv) to maintain and use sales offices, management offices, signs advertising the common interest community, and models, and to have and use easements for itself and its employees, agents, and invitees through the common elements for such purposes;

(v) to appoint or remove any officer or director of the association during any period of declarant control;

(vi) to utilize an alternate common expense plan as provided in section 515B.3-115(a)(2);

(vii) to grant common element licenses as provided in section 515B.2-109(e); or

(viii) to review, and approve or disapprove, the exterior design, materials, size, site location, and other exterior features of buildings and other structures, landscaping and other exterior improvements, located within the common interest community, and any modifications or alterations thereto.

Special declarant rights shall not be reserved or utilized for the purpose of evading any limitation or obligation imposed on declarants by this chapter.

(34) "Time share" means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with a fee title interest in the common interest community or a specified portion thereof.

(35) "Unit" means a portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership, or separate occupancy pursuant to a proprietary lease.

(36) "Unit identifier" means English letters or Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(37) "Unit owner" means a declarant or other person who owns a unit, a lessee under a proprietary lease, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person.

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

Sec. 2. Minnesota Statutes 2024, section 515B.2-119, is amended to read:

515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY.

(a) Except as otherwise provided in this chapter, a common interest community may be terminated as follows:

(1) if a common interest community consists entirely of detached, single-family dwellings that does not include any common elements and the association has no maintenance obligations for any building that contains a dwelling, the common interest community may be terminated only by the written agreement of unit owners of units to which at least 67 percent of the votes in the association are allocated, provided that agreement shall be deemed to have been provided by any unit owner who has not otherwise indicated a preference and whose written refusal to agree is not received by the association within 60 days after the association has provided notice of the proposed termination by certified United States mail, postage prepaid, and return receipt requested. Termination of the common interest community does not relieve the association of its obligations under any contract other than the declaration; or

(2) a common interest community not subject to clause (1) may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use.

(b) An agreement to terminate shall be evidenced by a written agreement, executed in the same manner as a deed by the number of unit owners and first mortgagees of units required by subsection (a). The agreement shall specify a date after which the agreement shall be void unless recorded before that date. The agreement shall also specify a date by which the termination of the common interest community and the winding up of its affairs must be accomplished. A certificate of termination executed by the association evidencing the termination shall be recorded on or before the termination date, or the agreement to terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the certificate of termination shall be recorded in every county in which a portion of the common interest community is situated and is effective only upon recording.

(c) In the case of a condominium or planned community containing only units having upper and lower boundaries, a termination agreement may provide that all of the common elements and units of the common interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(d) In the case of a condominium or planned community containing any units not having upper and lower boundaries, a termination agreement may provide for sale of the common elements, but it may not require that the units be sold following termination, unless the original declaration provided otherwise or all unit owners whose units are to be sold consent to the sale. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(e) The association, on behalf of the unit owners, shall have authority to contract for the sale of real estate in a common interest community pursuant to this section, subject to the required approval. The agreement to terminate shall be deemed to grant to the association a power of attorney coupled with an interest to effect the conveyance of the real estate on behalf of the holders of all interests in the units, including without limitation the power to execute all instruments of conveyance and related instruments. Until the sale has been completed, all instruments in connection with the sale have been executed and the sale proceeds distributed, the association shall continue in existence with all powers it had before termination.

(1) The instrument conveying or creating the interest in the common interest community shall include as exhibits (i) an affidavit of the secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners in the common interest community as of the date of the approval.

(2) Proceeds of the sale shall be distributed to unit owners and secured parties as their interests may appear, in accordance with subsections (h), (i), (j), and (k).

(3) Unless otherwise specified in the agreement of termination, until the association has conveyed title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors in interest remain liable for all assessments and other obligations imposed on unit owners by this chapter, the declaration or the bylaws.

(f) The legal description of the real estate constituting the common interest community shall, upon the date of recording of the certificate of termination referred to in subsection (b), be as follows:

(1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), the lot and block description contained in the CIC plat, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(2) In a condominium or cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c), the underlying legal description of the real estate as set forth in the declaration creating the common interest community, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(3) The legal description referred to in this subsection shall apply upon the recording of the certificate of termination. The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal description required by this subsection from and after the date of recording of the certificate of termination. In the case of registered property, the registrar of titles shall cancel the existing certificates of title with respect to the property and issue one or more certificates of title for the property utilizing the legal description required by this subsection.

(g) In a condominium or planned community, if the agreement to terminate provides that the real estate constituting the common interest community is not to be sold following termination, title to the common elements and, in a common interest community containing only units having upper and lower boundaries described in the declaration, title to all the real estate in the common interest community, vests in the unit owners upon termination as tenants in common in proportion to their respective interest as provided in subsection (k), and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

(h) The proceeds of any sale of real estate pursuant to subsection (e), together with the assets of the association, shall be held by the association as trustee for unit owners, secured parties and other holders of liens on the units as their interests may appear. Before distributing any proceeds, the association shall have authority to deduct from the proceeds of sale due with respect to the unit (i) unpaid assessments levied by the association with respect to the unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and (iii) the share of expenses of sale and winding up of the association's affairs with respect to the unit.

(i) Following termination of a condominium or planned community, creditors of the association holding liens on the units perfected before termination may enforce those liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

(j) In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of unit owners and creditors of unit owners. In that event, following termination, creditors of the association holding liens on the cooperative which were perfected before termination may enforce their liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association shall be treated as if they had perfected a lien against the cooperative immediately before termination. Unless the declaration provides that all creditors of the association have that priority:

(1) the lien of each creditor of the association which was perfected against the association before termination becomes, upon termination, a lien against each unit owner's interest in the unit as of the date the lien was perfected;

(2) any other creditor of the association is to be treated upon termination as if the creditor had perfected a lien against each unit owner's interest immediately before termination;

(3) the amount of the lien of an association's creditor described in paragraphs (1) and (2) against each of the unit owners' interest shall be proportionate to the ratio which each unit's common expense liability bears to the common expense liability of all of the units;

(4) the lien of each creditor of each unit owner which was perfected before termination continues as a lien against that unit owner's interest in the unit as of the date the lien was perfected; and

(5) the assets of the association shall be distributed to all unit owners and all lienholders as their interests may appear in the order described in this section. Creditors of the association are not entitled to payment from any unit owner in excess of the amount of the creditor's lien against that unit owner's interest.

(k) The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and (i) are as follows:

(1) Except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes in the association are allocated. The proportion of any unit's interest to that of all units is determined by dividing the fair market value of that unit by the total fair market values of all the units.

(2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof before destruction cannot be made, the interests of all unit owners shall be measured by: (i) in a condominium, their allocations of common element interests immediately before the termination, (ii) in a cooperative, their respective ownership interests immediately before the termination, and (iii) in a planned community, their respective allocations of common expenses immediately before the termination.

(l) In a condominium or planned community, except as provided in subsection (m), foreclosure or enforcement of a lien or encumbrance against the entire common interest community does not terminate, of itself, the common interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community does not withdraw that portion from the common interest community.

(m) In a condominium or planned community, if a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community.

(n) Following the termination of a common interest community in accordance with this section, the association shall be dissolved in accordance with law.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to all terminations under this section initiated on or after that date.

Sec. 3. Minnesota Statutes 2024, section 515B.3-102, is amended to read:

515B.3-102 POWERS AND DUTIES 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. Rules and

regulations adopted must be reasonable. An association must give unit owners no less than 21 days' notice before the association votes to adopt, amend, or revoke a rule or regulation to review and comment on the proposed change. An association may adopt a temporary rule without notice in exigent circumstances, provided the board acts as soon as practicable to give the requisite notice to unit owners before adopting the rule permanently. Nothing in this chapter prevents the unit owners from asking the board to adopt, amend, or revoke a rule or regulation;

(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;~~ unless the board proposes, and the association's members approve, a greater amount at an annual meeting, impose a fine not to exceed $100 for a single violation of the declaration, bylaws, and rules and regulations, except the association may impose a fine greater than $100 for a subsequent violation for the same conduct, or if the violation:

(i) has a serious and immediate impact on a resident's health or safety;

(ii) causes physical damage to another unit or a common element; or

(iii) involves using the property for financial enrichment, including renting or offering for rent a unit in violation of the declaration, bylaws, or a rule or regulation prohibiting short-term or long-term rentals.

A unit owner, after receiving notice of a violation or a notice of an assessment, has the opportunity to be heard before the board or a committee appointed by it to contest the fine or assessment. A unit owner, within 30 days after receipt of the notice, must request a hearing, unless the declaration provides for a different period. If a hearing is requested by a unit owner, attorney fees and costs must not be charged or collected from a unit owner unless the hearing is held and the board or committee adopts a resolution upholding the fine or assessment against the unit owner or owner's unit. The association must provide a copy of the resolution, which must contain the rationale for upholding the fine or assessment, to the unit owner within 30 days of adoption.

If the association's governing documents authorize the association to impose fines for violations of the governing documents, an association must adopt a schedule of fines for violations of the governing documents and must provide a description of the remedies available to the association. The association must provide the schedule and description to every unit owner in any reasonable manner, including but not limited to electronic mailing or posting on the association's website, including when a unit owner purchases a unit or when the schedule is amended by the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration~~,~~ or 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;

(17) impose interest only on delinquent assessments for common expenses or special assessments not to exceed eight percent; and

(18) impose a fee for late payment of common expenses and special assessments not to exceed the greater of $20 or five percent of the amount owed.

(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 for certain violations subject to section 515B.3-116, subsection (h), and all 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 and the steps a unit owner must take to schedule the hearing;

(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 and dispute resolution and other information services are available from the common interest community ombudsperson.

(d) Notwithstanding subsection (a), powers exercised under this section must comply with sections 500.215, 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.

(g) Unless otherwise agreed to by the affected unit owner and the association, a payment made by a unit owner must be applied to assessments for common expenses and special assessments first before it is applied to any other fines, fees, or assessments owed by the unit owner. An association shall consider offering a reasonable payment plan for a delinquency.

(h) A board must allow a unit owner to present, orally or in writing, a grievance to the board or a committee appointed by the board on a matter other than a fine governed under subsection (a)(11), or an application to alter a unit under section 515B.3-107, subsection (e). The board must make a good faith effort to resolve the grievance or, if resolution is not achieved, refer the unit owner to the common interest community ombudsperson. An association may not impose any fees or charges on the unit owner for making the presentation.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to action taken by an association on or after that date.

Sec. 4. Minnesota Statutes 2024, section 515B.3-103, is amended to read:

515B.3-103 BOARD OF DIRECTORS, OFFICERS AND DECLARANT CONTROL.

(a) An association shall be governed by a board of directors whose appointment or election shall occur no later than the date of creation of the common interest community and shall be reflected in the association's records. Except as expressly prohibited by the declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this chapter, the board may act in all instances on behalf of the association. In the performance of their duties, the officers and directors are required to exercise (i) if appointed by the declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit owners, the care required of a director by section 302A.251, 308B.455, 308C.455, or 317A.251, as applicable. The officers and directors appointed by the declarant shall have a duty to fulfill, and to cause the association to fulfill, their respective obligations under the declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners, including the declarant and its affiliates, in a uniform and fair manner. The standards of conduct for officers and directors set forth in this subsection shall also apply to the officers and directors of master associations in the exercise of their duties on behalf of the master association.

(b) The board may not act unilaterally to amend the declaration, to terminate the common interest community, to elect directors to the board, or to determine the qualifications, powers and duties, or terms of office of directors, but the board may fill vacancies in its membership created other than by removal by the vote of the association members for the unexpired portion of any term.

(c) The declaration may provide for a period of declarant control of the association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and directors of the association. The period of declarant control begins on the date of creation of the common interest community and terminates upon the earliest of the following events: (i) five years after the date of the first conveyance of a unit to a unit owner other than a declarant in the case of a flexible common interest community or three years in the case of any other common interest community, (ii) the declarant's voluntary surrender of control by giving written notice to the unit owners pursuant to section 515B.1-115, or (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

(d) The board shall cause a meeting of the unit owners to be called, as follows:

(1) If the period of declarant control has terminated pursuant to subsection (c), a meeting of the unit owners shall be called and held within 60 days after said termination, at which the board shall be appointed or elected by all unit owners, including declarant, subject to the requirements of subsection (e).

(2) If 50 percent of the units that a declarant is authorized by the declaration to create have been conveyed prior to the termination of the declarant control period, a meeting of the unit owners shall be called and held within 60 days thereafter, at which not less than 33-1/3 percent of the members of the board shall be elected by unit owners other than a declarant or an affiliate of a declarant.

(3) If the board fails or refuses to cause a meeting of the unit owners required to be called pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may cause the meeting to be called pursuant to the applicable provisions of the law under which the association was created. The declarant and its affiliates shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting.

(e) Following the termination of any period of declarant control, the unit owners shall appoint or elect the board. All unit owners, including the declarant and its affiliates, may cast the votes allocated to any units owned by them. The board shall thereafter be subject to the following:

(1) Unless otherwise approved by a vote of unit owners other than the declarant or an affiliate of the declarant, a majority of the directors shall be unit owners or a natural person designated by a unit owner that is not a natural person, other than a declarant or an affiliate of a declarant. The remaining directors need not be unit owners unless required by the articles of incorporation or bylaws.

(2) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize the declarant or a person designated by the declarant to appoint one director, who need not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the declarant or other person possessing the power to appoint.

(3) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (i) classes of directors, (ii) the appointment or election of directors in certain classes by certain classes of members, or (iii) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise protect the legitimate interest of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed on declarants by this chapter. If an association's governing documents provide for the election of directors, then elections of directors must occur regularly and each term of a director must not exceed three years, provided there is no limit on the number of terms a director may serve, and, unless expressly prohibited by the governing documents, the terms of directors must be staggered.

(4) The board shall elect the officers. The directors and officers shall take office upon election.

(f) In determining whether the period of declarant control has terminated under subsection (c), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (d), the percentage of the units conveyed shall be calculated using as a numerator the number of units conveyed and as a denominator the number of units subject to the declaration plus the number of units which the declarant is authorized by the declaration to create on any additional real estate. The percentages referred to in subsections (c) and (d) shall be calculated without reference to units that are auxiliary to other units, such as garage units or storage units. A person shall not use a master association or other device to evade the requirements of this section.

(g) Except as otherwise provided in this subsection, all meetings of the board of directors must be open to the unit owners. ~~To the extent practicable,~~ The board shall give reasonable notice to the unit owners of the date, time, and place of a board meeting. The board must make the meeting agenda, and contracts or other documents the board intends to approve or disapprove at the board meeting, available to unit owners in any reasonable manner, including but not limited to electronic mailing or posting on the association's website. If the date, time, and place of meetings are provided for in the declaration, articles, or bylaws, announced at a previous meeting of the board, posted in a location accessible to the unit owners and designated by the board from time to time, or if an emergency requires immediate consideration of a matter by the board, notice is not required. "Notice" has the meaning given in section 317A.011, subdivision 14. At any board meeting open to unit owners before action is taken on an agenda item, a unit owner, or a person designated in writing by the owner, must be permitted to speak at a time designated by the board on an agenda item. To the extent known, a unit owner must make a good faith attempt to notify the

board in advance of the owner's intent to speak on an agenda item at the meeting. Nothing prohibits a unit owner from requesting that an item be added to the agenda or providing a written comment to the board in advance of the meeting. The board may place a reasonable limit on the time a member is allowed to speak and may, after a warning by the chair of the meeting, expel any person who disrupts the meeting or causes a disturbance. A board may not impose a fine for exercising the right to speak or provide a written statement, but may impose a fine if a person the board has expelled refuses to leave the meeting. Meetings may be closed to discuss the following:

(1) personnel matters;

(2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or association and unit owners, or other matters in which any unit owner may have an adversarial interest, if the board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the board or association or the privacy of a unit owner or occupant of a unit; or

(3) criminal activity arising within the common interest community if the board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the board meeting or any action taken at the meeting. The minutes of any part of a meeting that is closed under this subsection may be kept confidential at the discretion of the board. For the purposes of this subsection, an association is not required to issue a notice or keep minutes for a meeting between board members, or between one or more board members and officers, if the subject of the meeting is solely to discuss issues related to basic maintenance, or daily operations and management of the association, in accordance with their duties as outlined in the governing documents, provided the meeting does not result in a vote or formal action by the board.

In addition to conflict of interest provisions set forth in the statute under which the association was organized, the following standards apply to elected boards:

(1) a board member must not participate in deliberations regarding or vote on the approval or disapproval of a contract to which the association is or may be a party where the board member or a member of the family of a board member has a material financial interest in the contract or is likely to realize a material financial gain as a result of entering into the contract. For the purposes of this section, "member of the family" has the meaning given in section 317A.255, subdivision 4;

(2) a board member or property manager must not solicit or accept any money or other compensation from any person as an inducement for the board member to vote in favor of the approval of a contract for property maintenance, construction, repair, or reconstruction services that is binding on the association. If an association has authorized a property manager to enter into contracts on behalf of the association, the property manager must not solicit or accept any money or other compensation from any person as an inducement to the property manager to enter into a contract for property maintenance, construction, repair, or reconstruction services that is binding on the association; and

(3) prior to entering into any contract for property maintenance, construction, repair, or reconstruction services with an estimated cost exceeding $50,000, the board or property managers must solicit a minimum of three written competitive bids. All bids from a person affiliated with a board member, a member of the family of a board member, a property manager, or any member of the family of a property manager or employee must be disclosed prior to consideration or a vote on the bids. A written record of the disclosures must be retained and recorded in the meeting minutes.

(h) The board must review all bids and select a vendor based on reasonable business criteria, including but not limited to, the cost of the project, the contractor's qualifications, available warranties, the extent to which the bidder has met the bid solicitation requirements, and the length of time estimated to complete the project.

(i) An association is not obligated to comply with the bidding requirements of this subsection if:

(1) multiple bids cannot be obtained despite reasonable efforts;

(2) emergency repairs are required to protect the health or safety of the unit owners;

(3) there has been significant damage to the property that must be addressed without delay to prevent further damage to the property;

(4) the work is covered by a warranty;

(5) the vendor is the only available vendor capable of providing the required goods or services; or

(6) the cost of materials does not exceed $50,000 and labor is performed at no charge by volunteers.

(j) The association must maintain a record of the bid selection process and the contracts awarded. The records must be made available for inspection for a period of six years. At a minimum the record should include:

(1) the purpose of the contract;

(2) the amount of each bid proposal;

(3) the amount of the final contract;

(4) the name and address of the contractor who was awarded the contract; and

(5) if applicable, the criteria used to select the bid.

A person who requests a copy of these records may be charged a reasonable fee to copy the materials.

(k) A contract entered into by a declarant with a property manager shall terminate no later than 12 months after the declarant control period has ended. A contract entered into by an association with a property manager after the declarant control period has ended that does not automatically renew may be terminated by the association, with or without cause, upon three months' written notice. A contract entered into by an association after the declarant period has ended that provides for automatic renewal may be terminated by the association with no less than three months' written notice before the date the contract will automatically renew for another term.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to all association activities on or after that date.

Sec. 5. Minnesota Statutes 2024, section 515B.3-106, is amended to read:

515B.3-106 BYLAWS; ANNUAL REPORT.

(a) A common interest community shall have bylaws which comply with this chapter and the statute under which the association is incorporated. The bylaws and any amendments may be recorded, but need not be recorded to be effective unless so provided in the bylaws.

(b) The bylaws shall provide that, in addition to any statutory requirements:

(1) A meeting of the members shall be held at least once each year, and a specified officer of the association shall give notice of the meeting as provided in section 515B.3-108.

(2) An annual report shall be prepared by the association and a copy of the report shall be provided to each unit owner at or prior to the annual meeting.

(c) The annual report shall contain at a minimum:

(1) a statement of any capital expenditures in excess of two percent of the current budget or $5,000, whichever is greater, approved by the association for the current fiscal year or succeeding two fiscal years;

(2) a statement of the association's total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amounts of the reserves, if any, that the board has allocated for the replacement of each of those components;

(3) a copy of the statement of revenues and expenses for the association's last fiscal year, and a balance sheet as of the end of said fiscal year;

(4) a statement of the status of any pending litigation or judgments to which the association is a party;

(5) a detailed description of the insurance coverage provided by the association including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association and the amount of the association's deductible and the following notice: "IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, THE UNIT OWNER IS PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF THE UNIT OWNER DOES NOT HAVE SUFFICIENT INSURANCE COVERAGE"; and

(6) a statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting.

Sec. 6. Minnesota Statutes 2024, section 515B.3-107, is amended to read:

515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.

(a) Except to the extent provided by the declaration, this subsection or section 515B.3-113, the association is responsible for the maintenance, repair and replacement of the common elements, and each unit owner is responsible for the maintenance, repair and replacement of the unit owner's unit. Damage to the common elements or any unit as a result of the acts or omissions of a unit owner or the association, including damage resulting from the unit owner's or association's lack of maintenance or failure to perform necessary repairs or replacement, is the responsibility of the unit owner or association responsible for causing the damage, or whose agents or invitees caused the damage.

(b) The association's board of directors shall prepare and approve a written preventative maintenance plan, maintenance schedule, and maintenance budget for the common elements. The association shall follow the approved preventative maintenance plan. The association's board may amend, modify, or replace an approved preventative maintenance plan or an approved maintenance schedule from time to time. The association must provide all unit owners with a paper copy, electronic copy, or electronic access to the preventative maintenance plan, the maintenance schedule, and any amendments or modifications to or replacements of the preventative maintenance plan and the maintenance schedule. If a common interest community was created on or before August 1, 2017, the association's board of directors shall have until January 1, 2019, to comply with the requirements of this subsection.

(c) The association shall have access through and into each unit for purposes of performing maintenance, repair or replacement for which the association may be responsible. The association and any public safety personnel shall also have access for purposes of abating or correcting any condition in the unit which violates any governmental law, ordinance or regulation, which may cause material damage to or jeopardize the safety of the common interest community, or which may constitute a health or safety hazard for occupants of units.

(d) Neither the association, nor any unit owner other than the declarant or its affiliates, is subject to a claim for payment of expenses incurred in connection with any additional real estate.

(e) An association with authority under the declaration to approve or disapprove a request by a unit owner who has a right granted under this chapter, or the declaration, to make alterations to the owner's unit must establish, by rule or regulation, a fair, reasonable, and expeditious procedure for making any decision on the proposed alteration. The association must provide the procedure to a unit owner who requests an alteration. Unless the declaration, bylaws, or rules and regulations provide for a different period, the board or a committee appointed by the board must make a decision within 90 days after submission of an application that contains all the information required or any additional information or changes to the proposal requested by the association's board. A decision must be in writing, must be made in accordance with the standards of conduct for directors set forth in the statute under which the association is organized, and must be reasonable.

(f) An association has no authority to regulate the parking of a unit owner or a guest, tenant, or invitee of the unit owner within an improved public right of way that a unit of government maintains and repairs, except that the association may, in its declaration or by rule or regulation, require compliance with all applicable statutes, laws, and ordinances. Absent legislative authorization, a unit of government does not have the authority to delegate its police powers to a private entity. If an association is an authorized delegatee, the delegation is valid for a period not to exceed five years, at which time it may be renewed upon application by the association and agreement of the unit of government. As used in this subsection, "personal vehicle" means an automobile with a gross vehicle weight of less than 26,001 pounds that is used for personal pleasure, travel, or commuting to and from a place of work, including but not limited to a van, pickup truck, small truck, ambulance, law enforcement vehicle, emergency response vehicle, or utility company vehicle. A personal vehicle does not include a motor home, a self-propelled recreational vehicle, or a commercial vehicle used primarily for commercial business unless otherwise stated in this section. A unit owner or resident must be permitted to park a personal or work vehicle on the portion of the unit owner's property or the portion of the limited common element allocated to the unit that was originally designed or subsequently modified for the parking of vehicles, provided the vehicle's length does not encroach on another unit owner's property or interfere with the association's ability to maintain roads or common elements.

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

Sec. 7. Minnesota Statutes 2024, section 515B.3-115, is amended to read:

515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED BEFORE AUGUST 1, 2010.

(a) The obligation of a unit owner to pay common expense assessments shall be as follows:

(1) If a common expense assessment has not been levied, the declarant shall pay all operating expenses of the common interest community, and shall fund the replacement reserve component of the common expenses as required by subsection (b).

(2) If a common expense assessment has been levied, all unit owners, including the declarant, shall pay the assessments allocated to their units, subject to the following:

(i) If the declaration so provides, a declarant's liability, and the assessment lien, for the common expense assessments, exclusive of replacement reserves, on any unit owned by the declarant may be limited to 25 percent or more of any assessment, exclusive of replacement reserves, until the unit or any building located in the unit is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(ii) If the declaration provides for a reduced assessment pursuant to paragraph (2)(i), the declarant shall be obligated, within 60 days following the termination of the period of declarant control, to make up any operating deficit incurred by the association during the period of declarant control. The existence and amount, if any, of the operating deficit shall be determined using the accrual basis of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(b) The replacement reserve component of the common expenses shall be funded for each unit in accordance with the projected annual budget required by section 515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit shall commence no later than the date that the unit or any building located within the unit boundaries is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon a budget approved at least annually by the association.

(d) Except as modified by subsections (a)(1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments against a unit owner, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations against a unit owner, may be assessed against the unit owner's unit subject to section 515B.3-116(h); and

(5) fees, charges, late charges, fines and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association must adopt a collection policy and provide a copy to all unit owners and prospective purchasers as required pursuant to section 515B.4-107(a)(1).

A collection policy must require, at a minimum:

(1) three separate notifications to a unit owner before the account is referred to a law firm or collection agency for collections, including at least one notification sent by certified mail to the unit owner's registered address; and

(2) the notice required pursuant to section 580.021 be sent by United States mail and certified mail to the unit owner when a law firm has been hired to foreclose an association's lien for assessments.

~~(k)~~ (l) This section applies only to common interest communities created before August 1, 2010.

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

Sec. 8. Minnesota Statutes 2024, section 515B.3-1151, is amended to read:

515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010.

(a) The association shall approve an annual budget of common expenses at or prior to the conveyance of the first unit in the common interest community to a purchaser and annually thereafter. The annual budget shall include all customary and necessary operating expenses and replacement reserves for the common interest community, consistent with this section and section 515B.3-114. For purposes of replacement reserves under subsection (b), until an annual budget has been approved, the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102. The obligation of a unit owner to pay common expenses shall be as follows:

(1) If a common expense assessment has not been levied by the association, the declarant shall pay all common expenses of the common interest community, including the payment of the replacement reserve component of the common expenses for all units in compliance with subsection (b).

(2) If a common expense assessment has been levied by the association, all unit owners, including the declarant, shall pay the assessments levied against their units, except as follows:

(i) The declaration may provide for an alternate common expense plan whereby the declarant's common expense liability, and the corresponding assessment lien against the units owned by the declarant, is limited to: (A) paying when due, in compliance with subsection (b), an amount equal to the full share of the replacement reserves allocated to units owned by the declarant, as set forth in the association's annual budget approved as provided in this subsection; and (B) paying when due all accrued expenses of the common interest community in excess of the aggregate assessments payable with respect to units owned by persons other than a declarant; provided, that the alternate common expense plan shall not affect a declarant's obligation to make up any operating deficit pursuant to item (iv), and shall terminate upon the termination of any period of declarant control unless terminated earlier pursuant to item (iii).

(ii) The alternate common expense plan may be authorized only by including in the declaration and the disclosure statement required by section 515B.4-102 provisions authorizing and disclosing the alternate common expense plan as described in item (i), and including in the disclosure statement either (A) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget contained in the disclosure statement, or (B) a statement describing how the services or amenities may be affected.

(iii) A declarant shall give notice to the association of its intent to utilize the alternate common expense plan and a commencement date after the date the notice is given. The alternate common expense plan shall be valid only for periods after the notice is given. A declarant may terminate its right to utilize the alternate common expense plan prior to the termination of the period of declarant control only by giving notice to the association and the unit owners at least 30 days prior to a selected termination date set forth in the notice.

(iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause to be prepared and delivered to the association, at the declarant's expense, within 90 days after the termination of the period of declarant control, an audited balance sheet and profit and loss statement certified to the association and prepared by an accountant having the qualifications set forth in section 515B.3-121(b). The audit shall be binding on the declarant and the association.

(v) If the audited profit and loss statement shows an accumulated operating deficit, the declarant shall be obligated to make up the deficit within 15 days after delivery of the audit to the association, and the association shall have a claim against the declarant for an amount equal to the deficit until paid. A declarant who does not utilize an alternate common expense plan is not liable to make up any operating deficit. If more than one declarant utilizes an alternate common expense plan, all declarants who utilize the plan are jointly and severally liable to the association for any operating deficit.

(vi) The existence and amount, if any, of the operating deficit shall be determined using the accrual method of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(vii) Unless approved by a vote of the unit owners other than the declarant and its affiliates, the operating deficit shall not be made up, prior to the election by the unit owners of a board of directors pursuant to section 515B.3-103(d), through the use of a special assessment described in subsection (c) or by assessments described in subsections (e), (f), and (g).

(viii) The use by a declarant of an alternate common expense plan shall not affect the obligations of the declarant or the association as provided in the declaration, the bylaws, or this chapter, or as represented in the disclosure statement required by section 515B.4-102, except as to matters authorized by this chapter.

(b) The replacement reserves required by section 515B.3-114 shall be paid to the association by each unit owner for each unit owned by that unit owner in accordance with the association's annual budget approved pursuant to subsection (a), regardless of whether an annual assessment has been levied or whether the declarant has utilized an alternate common expense plan under subsection (a)(2). Replacement reserves shall be paid with respect to a unit commencing as of the later of (1) the date of creation of the common interest community or (2) the date that the structure and exterior of the building containing the unit, or the structure and exterior of any building located within the unit boundaries, but excluding the interior finishing of the structure itself, are substantially completed. If the association has not approved an annual budget as of the commencement date for the payment of replacement reserves, then the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon an annual budget approved by the association. In addition to and not in lieu of annual assessments, an association may, if so provided in the declaration, levy special assessments against all units in the common interest community based upon the same formula required by the declaration for levying annual assessments. Special assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures or operating expenses, or (4) to replace certain components of the common interest community described in section 515B.3-114(a), if such alternative method of funding is approved under section 515B.3-114(a)(5). The association may also levy assessments against fewer than all units as provided in subsections (e), (f), and (g). An assessment under subsection (e)(2) for replacement reserves is subject to the requirements of section 515B.3-1141(a)(5).

(d) Except as modified by subsections (a), clauses (1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner's unit, subject to section 515B.3-116(h); and

(5) fees, charges, late charges, fines, and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association must adopt a collection policy and provide a copy to all unit owners and prospective purchasers as required pursuant to section 515B.4-107(a)(1).

A collection policy must require, at a minimum:

(1) three separate notifications to a unit owner before the account is referred to a law firm or collection agency for collections, including at least one notification sent by certified mail to the unit owner's registered address; and

(2) the notice required pursuant to section 580.021 be sent by United States mail and certified mail to the unit owner when a law firm has been hired to foreclose an association's lien for assessments.

~~(k)~~ (l) This section applies only to common interest communities created on or after August 1, 2010.

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

Sec. 9. Minnesota Statutes 2024, section 515B.3-116, is amended to read:

515B.3-116 LIEN FOR ASSESSMENTS.

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, fines as specified in subsection (h), and late charges~~, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12)~~ are liens, and are enforceable as assessments, under this section. Recording of the declaration constitutes record notice and perfection of any assessment lien under this section, and no further recording of any notice of or claim for the lien is required.

(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection~~,~~ provided that an association may not commence foreclosure unless common expenses and special assessments and fines that meet the conditions for exception to the limit specified in section 515B.3-102, subsection (c), are delinquent for more than three months.

(1) In a condominium or planned community, regardless of when the condominium or planned community was created, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580, except that any portion of the assessment that represents attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate under section 580.30 or chapter 581.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

(3) $500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR INCURRED; PLUS

(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the redemption period in a foreclosure of the association's assessment lien, the association may bring an action for eviction against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to foreclosures commenced on or after that date.

Sec. 10. **[515B.3-125] LEGAL FEES; NOTICE REQUIRED.**

(a) If an association elects to refer a unit owner's inquiry to the association's legal counsel, the association must notify the unit owner in advance that the association:

(1) intends to refer the inquiry to the association's legal counsel; and

(2) may incur legal fees which may result in an assessment to the unit owner.

(b) The board must provide the notification under subsection (a) at no cost to the unit owner.

(c) The association shall refer the unit owner or the unit owner's attorney to the association's legal counsel if the inquiry concerns a pending legal matter involving the unit owner and the association.

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

Sec. 11. Minnesota Statutes 2024, section 515B.4-1021, is amended to read:

515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED ON OR AFTER AUGUST 1, 2010.

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of each declarant holding any special declarant rights; a description of the special declarant rights held by each declarant; a description of the units or additional real estate to which the respective special declarant rights apply; and a copy of any recorded transfer of special declarant rights pursuant to section 515B.3-104(a), or any instrument recorded pursuant to section 515B.3-104(b), (g), or (h);

(3) the total number of units which all declarants have the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community, and the nature of the occupancy, (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or master association will be required to maintain, (vii) a description of any declarant licensing rights under section 515B.2-109(e), and (viii) the initial maintenance plan, initial maintenance schedule, and maintenance budget under section 515B.3-107(b). The initial maintenance plan prepared by the declarant must be based on the best available information listing all building elements to which the plan will apply and the generally accepted standards of maintenance on which the plan is based. The initial plan must be dated and signed by the declarant and be fully funded by the initial budget provided by the declarant;

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that the declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; a description of any alternate common expense plan under section 515B.3-115(a)(2)(i); and, if the declaration provides for an

alternate common expense plan, either (i) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget or disclosed in the disclosure statement, or (ii) a statement describing how the services or amenities may be affected;

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD), or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 to 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that:

(i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a);

(ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement; and

(iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including but not limited to:

(i) a statement as to which, if any, of the items referred to in section 515B.3-113(b), are insured by the association;

(ii) the amount of the association's deductible; and

(iii) the following statement: "IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, THE UNIT OWNER IS PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF THE UNIT OWNER DOES NOT HAVE SUFFICIENT INSURANCE COVERAGE. It is recommended that each unit owner personally purchase insurance coverage for loss assessments in an amount at least equal to the association's deductible, as well as insurance to cover the interior of the unit and personal property. A unit owner should conduct a regular review of their individual insurance policy and increase coverage as necessary to fully cover their portion of the association's deductible.";

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative:

(i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative;

(ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and

(iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement:

(i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties, and stating the years for which taxes are delinquent; and

(ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the unit or other parcel of real estate being purchased is or may be subject to a master declaration at the time of the conveyance from the declarant to the purchaser, a statement to that effect, and all of the following information with respect to the master association:

(i) copies of the following documents (which may be in proposed form if the master declaration has not been recorded): the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto;

(ii) the name and address of the master developer, and the name, address, and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members;

(iii) a description of any nonresidential use permitted on any property subject to the master declaration;

(iv) a statement as to the estimated maximum number of associations, unit owners, or other persons which may become members of the master association, and a description of any period of control of the master association and rights to appoint master association directors by a master developer or other person pursuant to section 515B.2-121(c);

(v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member of the master association;

(vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made;

(vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other periodic common expense assessment payment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;

(viii) a description of any expenses or services not reflected in the budget, paid for or provided by a master developer or another person executing the master declaration, which may become an expense of the master association in the future;

(ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(e)(2);

(x) identification of any liens, defects, or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members;

(xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-113(b)(2);

(xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association;

(xiii) a description of any insurance coverage provided for the benefit of its members by the master association which must include the amount of the association's deductible. All descriptions of insurance must contain the following statement in a conspicuous manner: "IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, THE UNIT OWNER IS PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF THE UNIT OWNER DOES NOT HAVE SUFFICIENT INSURANCE COVERAGE. It is recommended that each unit owner personally purchase insurance coverage for loss assessments in an amount at least equal to the association's deductible, as well as insurance to cover the interior of the unit and personal property. A unit owner should conduct a regular review of their individual insurance policy and increase coverage as necessary to fully cover their portion of the association's deductible."; and

(xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and, if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) copies of the following documents (which may be in proposed form if the declaration has not been recorded): the declaration and any supplemental declaration, and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, and reservations affecting the common interest

community; the articles of incorporation, bylaws, and any rules or regulations of the association; the names of the current members of the association's board of directors; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by the purchaser at closing; and a description of any material contracts, leases, or other agreements affecting the common interest community; ~~and~~

(23) a balance sheet for the association, following the creation of the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation:

(i) a statement of the amount included in the budget as a reserve for replacement, the components of the common interest community for which the reserves are budgeted, and the amounts of the reserves, if any, that are allocated for the replacement of each of those components;

(ii) a statement of any other reserves;

(iii) the projected common expense for each category of expenditures for the association;

(iv) the projected monthly common expense assessment for each type of unit;

(v) a statement as to the components of the common interest community whose replacement will be funded by assessments under section 515B.3-115(c) or (e), rather than by replacement reserves as approved pursuant to section 515B.3-114(a). If, based upon the association's then-current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included~~.~~; and

(vi) a copy of any reserve study, if any, or any other reports or estimates, if any, utilized by the declaration in providing the information required by section 515B.4-102(a)(23); and

(24) the schedules of fines and allowable remedies required under section 515B.3-102 and the collection policy adopted by the association under section 515B.3-115(k) or 515B.3-1151(k).

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created on or after August 1, 2010.

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

Sec. 12. Minnesota Statutes 2024, section 515B.4-107, is amended to read:

515B.4-107 RESALE OF UNITS.

(a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution of any purchase agreement for a unit or otherwise before conveyance, the following documents relating to the association or to the master association, if applicable:

(1) copies of the declaration (other than any CIC plat), the articles of incorporation and bylaws, any rules and regulations, and any amendments or supplemental declarations, including the schedules of fines and allowable remedies required under section 515B.3-102 and the collection policy adopted by the association under section 515B.3-115(k) or 515B.3-1151(k);

(2) copies of the master declaration, articles of incorporation, bylaws, and rules and regulations, if the common interest community is subject to a master declaration; ~~and~~

(3) a resale disclosure certificate from the association dated not more than 90 days prior to the date of the purchase agreement or the date of conveyance, whichever is earlier, containing the information set forth in subsection (b)~~.~~; and

(4) a copy of any reserve study, if any, obtained by the association within the past three years for the purposes of evaluating the adequacy of replacement reserve contributions and compliance with section 515B.3-1141.

(b) The resale disclosure certificate must be in substantially the following form:

COMMON INTEREST COMMUNITY
RESALE DISCLOSURE CERTIFICATE

Name of Common Interest Community: .....

Name of Association: .....

Address of Association: .....

Unit Number(s) (include principal unit and any garage, storage, or other auxiliary units):
Common elements licensed under Minnesota Statutes, section 515B.2-109(e):

.....
.....

The following information is furnished by the association named above according to Minnesota Statutes, section 515B.4-107.

1. There is no right of first refusal or other restraint on the free alienability of the above unit(s) contained in the declaration, bylaws, rules and regulations, or any amendment to them, except as follows: .....
.....
.....
.....

2. The following periodic installments of common expense assessments and special assessments are payable with respect to the above unit(s):

a. Annual assessment installments: $ ..... Due: .....
b. Special assessment installments: $ ..... Due: .....
c. Unpaid assessments, fines, or other charges:
(1) Annual $ .....
(2) Special $ .....
(3) Fines $ .....
(4) Other Charges $ .....
d. The association has/has not (strike one) approved a plan for levying certain common expense assessments against fewer than all the units according to Minnesota Statutes, section 515B.3-115, subsection (e). If a plan is approved, a description of the plan is attached to this certificate.

3. In addition to the amounts due under paragraph 2, the following additional fees or charges other than assessments are payable by unit owners (include late payment charges, user fees, etc.):
.....
.....
.....

4. There are no extraordinary expenditures approved by the association, and not yet assessed, for the current and two succeeding fiscal years, except as follows: .....
.....
.....

5. The association is obligated to replace the following components of the common interest community: .....
.....
.....

The association has the following amounts in its reserves for replacement of those components:

The replacement of the following components is funded by assessments levied only against the unit or units served by the component, pursuant to Minnesota Statutes, section 515B.3-115(e)(1) or (2). .....
.....
.....

6. The following documents are furnished with this certificate according to statute:

a. The most recent regularly prepared balance sheet and income and expense statement of the association.
b. The current budget of the association.

7. There are no unsatisfied judgments against the association, except as follows (identify creditor and amount):
.....
.....

8. There are no pending lawsuits to which the association is a party, except as follows (identify and summarize status): .....
.....
.....

9. Description of insurance coverages:

a. The association provides the following insurance coverage for the benefit of unit owners: (Reference may be made to applicable sections of the declaration or bylaws; however, any additional coverages should be described in this space) .....
.....
.....
.....

b. The following described fixtures, decorating items, or construction items within the unit referred to in Minnesota Statutes, section 515B.3-113, subsection (b), are insured by the association (check as applicable):

..... Ceiling or wall finishing materials

..... Finished flooring

..... Cabinetry

..... Finished millwork

..... Electrical, heating, ventilating, and air conditioning equipment, or plumbing fixtures serving a single unit

..... Built-in appliances

..... Improvements and betterments as originally constructed

..... Additional improvements and betterments installed by unit owners

c. The association's master insurance has deductible amounts for property damage and wind or hail claims that may be assessed to a unit as a "loss assessment." The unit owner, at the time a loss assessment is due, is personally liable for payment of a loss assessment. The deductible and potential loss assessment amount is subject to change each year when the association purchases new insurance. It is recommended that you personally purchase insurance coverage for loss assessments in the amount at least equal to the association's deductible, which the unit owner should review and update if the deductible changes. IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, YOU ARE PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF YOU DO NOT HAVE SUFFICIENT INSURANCE COVERAGE. It is recommended that each unit owner personally purchase insurance coverage for loss assessments in an amount at least equal to the association's deductible, as well as insurance to cover the interior of the unit and personal property. A unit owner should conduct a regular review of their individual insurance policy and increase coverage as necessary to fully cover their portion of the association's deductible.

10. The board of directors of the association has not notified the unit owner (i) that any alterations or improvements to the unit or to the limited common elements assigned to it violate any provision of the declaration; or (ii) that the unit is in violation of any governmental statute, ordinance, code, or regulation, except as follows: .....
.....

11. The remaining term of any leasehold estate affecting the common interest community and the premises governing any extension or renewal of it are as follows: .....
.....
.....

12. This Resale Disclosure Certificate is given in connection with the resale of a unit by a unit owner who is not a declarant and who, therefore, is not liable for express warranties under Minnesota Statutes, section 515B.4-112, or implied warranties under Minnesota Statutes, section 515B.4-113. The conveyance of this unit may, however, result in a transfer of preexisting warranties made by a declarant under the referenced statutes, subject to the terms of Minnesota Statutes, sections 515B.4-114 and 515B.4-115.

13. In addition to the above, the following matters affecting the occupancy or use of the unit, or the unit owner's obligations with respect to the unit, are deemed material:.....
.....

I hereby certify that the foregoing information and statements are true and correct as of.....
.....
(Date)

By: .....
Title: .....
(Association representative)
Address: .....
Phone Number: .....

RECEIPT

In addition to the foregoing information furnished by the association, the unit owner is obligated to furnish to the purchaser before execution of any purchase agreement for a unit or otherwise before conveyance, copies of the following documents relating to the association or to the master association (as applicable): the declaration (other than any common interest community plat), articles of incorporation, bylaws, rules and regulations (if any), and any amendments to these documents. Receipt of the foregoing documents, and the resale disclosure certificate, is acknowledged by the undersigned buyer(s).

Dated: ....
(Buyer)
.....
(Buyer)

(c) If the common interest community is subject to a master declaration and governed by a master association to which has been delegated any of the association's powers under section 515B.3-102(a)(2), then the financial information required to be disclosed under subsection (b) may be disclosed on a consolidated basis.

(d) The association, within ten days after a request by a unit owner, or the unit owner's authorized representative, shall furnish the certificate required in subsection (a). The association may charge a reasonable fee for furnishing the certificate and any association documents related thereto. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate. A unit owner who has acquired title to a unit pursuant to section 515B.3-104 including, but not limited to, a unit owner who has acquired title through foreclosure or a deed in lieu of foreclosure, must indicate to the association in connection with a request for a resale disclosure certificate whether the requesting unit owner is or is not a declarant. The unit owner, not the association, is liable for any damage, loss, or other consequence arising out of the incorrect representation of its declarant status.

(e) A purchaser is not liable for any unpaid common expense assessments, including special assessments, if any, not set forth in the certificate required in subsection (a). A purchaser is not liable for the amount by which the annual or special assessments exceed the amount of annual or special assessments stated in the certificate for assessments payable in the year in which the certificate was given, except to the extent of any increases

subsequently approved in accordance with the declaration or bylaws. A unit owner is not liable to a purchaser for the failure of the association to provide the certificate, or a delay by the association in providing the certificate in a timely manner.

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

Sec. 13. Minnesota Statutes 2024, section 515B.4-116, is amended to read:

515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEY'S FEES.

(a) In addition to any other rights to recover damages, attorney's fees, costs or expenses, whether authorized by this chapter or otherwise, if a declarant, an association, or any other person violates any provision of this chapter, or any provision of the declaration, bylaws, or rules and regulations any person or class of persons adversely affected by the failure to comply has a claim for appropriate relief. Subject to the requirements of section 515B.3-102, the association shall have standing to pursue claims on behalf of the unit owners of two or more units.

(b) The court may award reasonable attorney's fees and costs of litigation to the prevailing party. Punitive damages may be awarded for a willful failure to comply.

(c) As a condition precedent to any construction defect claim, the parties to the claim must submit the matter to mediation before a mutually agreeable neutral third party. For the purposes of this section, mediation has the meaning given under the General Rules of Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator from the roster maintained by the Minnesota Supreme Court, the parties may petition the district court in the jurisdiction in which the common interest community is located to appoint a mediator. The applicable statute of limitations and statute of repose for an action based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged construction defect, is tolled from the date that any party makes a written demand for mediation under this section until the latest of the following:

(1) five business days after mediation is completed; or

(2) 180 days.

Notwithstanding the foregoing, mediation shall not be required prior to commencement of a construction defect claim if the parties have completed home warranty dispute resolution under section 327A.051.

(d) The remedies provided for under this chapter are not exclusive and do not abrogate any remedies under other statutes or the common law, notwithstanding whether those remedies are referred to in this chapter.

(e) An association may not retaliate against a unit owner for asserting any right the unit owner has under this chapter or other law. For the purposes of this section, "retaliation" means to restrict any right or privilege a unit owner has, or impose any fine, penalty, or other charge on a unit owner, not authorized under the declaration, bylaws, or rules or regulations. Retaliation does not include commencing a foreclosure action for a fine that remains unpaid after the time allowed for payment, after the board has adopted a resolution upholding a fine under section 515B.3-102, subsection (a)(11).

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

Sec. 14. **[515B.5-101] LOCAL GOVERNMENT REGULATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "local government" means a county; a town; a municipality as defined in section 462.352, subdivision 2; a joint planning board; or a public corporation, including the Metropolitan Council.

Subd. 2. **Prohibited regulations.** Except as required by state or federal law or rule, a local government must not condition approval of a residential building permit or conditional use permit, residential subdivision development or residential planned unit development, or any other permit related to residential development on the:

(1) creation of a homeowners association;

(2) inclusion of any service, feature, or common property necessitating a homeowners association, unless requested by the developer;

(3) inclusion of any terms in a homeowners association declaration, bylaws, articles of incorporation, or any other governing document; or

(4) adoption or revocation of, or amendment to, a rule or regulation governing the homeowners association or its members.

Subd. 3. **Exemptions.** Nothing in this section prohibits:

(1) a local government from requiring the maintenance or insurance of common elements; or

(2) a project applicant from providing an easement to access public infrastructure.

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

Sec. 15. **APPLICATION.**

Sections 1 to 13 are effective on the dates provided and apply to common interest communities created before, on, or after the date of enactment. Notwithstanding any other law, common interest communities shall have three years from the date of enactment to update governing documents to reflect the changes in sections 1 to 13, however, until a common interest community has updated their governing documents, a copy of sections 1 to 13 must be provided with each disclosure statement required under Minnesota Statutes, sections 515B.4-102 and 515B.4-1021. The schedule of fees produced under Minnesota Statutes, section 515B.3-102, subsection (a)(11), shall be provided to all current unit owners no later than January 31, 2027."

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1597, 1606, 1724, 1900, 2400, 2418, 2614, 2627, 2700, 2740, 3024, 3067, 3133, 3155, 3437, 3459, 3496, 3554, 3629, 3658, 3694, 3711, 3825, 3826, 3827, 3844, 3908, 3951, 3970, 3990, 4003, 4019, 4052, 4057, 4075, 4102, 4118, 4149, 4151, 4188, 4317, 4333, 4350, 4366, 4371, 4389, 4425, 4438, 4447, 4462, 4482, 4493, 4502 and 4595 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1750 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Skraba introduced:

H. F. No. 4791, A bill for an act relating to capital investment; appropriating money for improvements to sanitary sewer infrastructure and street reconstruction in the town of Silver Creek; authorizing the sale and issuance of state bonds.

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

Skraba introduced:

H. F. No. 4792, A bill for an act relating to human services; providing a onetime rate add-on for a nursing facility in Ely; appropriating money.

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

Zeleznikar and Skraba introduced:

H. F. No. 4793, A bill for an act relating to public safety; expanding the fourth-degree assault crime; amending Minnesota Statutes 2025 Supplement, section 609.2231, subdivision 2.

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

Schultz, Burkel, McDonald and Allen introduced:

H. F. No. 4794, A bill for an act relating to agriculture; modifying fencing requirements for farmed Cervidae; amending Minnesota Statutes 2024, section 35.155, subdivision 4.

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

Anderson, P. E.; Roach; Dippel; Niska; Demuth; Scott; Nash; Witte; Bakeberg; Schwartz; Nelson; Johnson, W.; Anderson, P. H., and Lawrence introduced:

H. F. No. 4795, A bill for an act relating to transportation; taxation; modifying motor vehicle registration tax; amending Minnesota Statutes 2025 Supplement, section 168.013, subdivision 1a.

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

Nelson introduced:

H. F. No. 4796, A bill for an act relating to capital investment; appropriating money for rehabilitation of the Willard Munger state trail; authorizing the sale and issuance of state bonds.

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

Harder introduced:

H. F. No. 4797, A bill for an act relating to local government; authorizing online publication when no qualified newspaper is available; amending Minnesota Statutes 2024, sections 331A.01, subdivisions 1, 7, 12, by adding a subdivision; 331A.03; 331A.04, subdivision 4; 331A.06, subdivision 1; 331A.08, subdivision 3; 331A.09; Minnesota Statutes 2025 Supplement, section 331A.10, subdivision 2; repealing Minnesota Statutes 2024, section 331A.12, subdivision 1.

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

Heintzeman introduced:

H. F. No. 4798, A bill for an act relating to taxation; property; modifying requirement to collect tax on certain undivided interest; amending Minnesota Statutes 2024, section 276.07.

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

Myers introduced:

H. F. No. 4799, A bill for an act relating to education; establishing a school safety video analytics grant program; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123B.

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

Myers introduced:

H. F. No. 4800, A bill for an act relating to education finance; limiting state-paid free school lunches to families with incomes at or below 500 percent of the federal poverty guidelines; establishing school wellness and resiliency aid; increasing resources for school-linked behavioral health grants; appropriating money; amending Minnesota Statutes 2024, section 124D.111, subdivisions 1, 1c, 1d, 4, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 124D.111, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 126C.

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

Nadeau introduced:

H. F. No. 4801, A bill for an act relating to health care; modifying provisions governing prior authorization of health care services; modifying managed care contracts under medical assistance; amending Minnesota Statutes 2024, sections 62A.59, subdivisions 1, 2; 62M.07, subdivisions 2, 5, by adding a subdivision; 256B.69, subdivision 37, by adding a subdivision; 256B.6928, subdivision 4.

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

Nadeau, Bakeberg and Joy introduced:

H. F. No. 4802, A bill for an act relating to taxation; property; prohibiting an increase in property value for homesteads owned by persons age 65 or older; amending Minnesota Statutes 2024, sections 273.11, subdivision 5, by adding a subdivision; 273.121, subdivision 1; 276.04, subdivision 2.

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

Dippel introduced:

H. F. No. 4803, A bill for an act relating to human services; modifying electronic visit verification requirements; amending Minnesota Statutes 2024, section 256B.073, subdivision 2.

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

Skraba, Heintzeman and Warwas introduced:

H. F. No. 4804, A bill for an act relating to natural resources; requiring extensions of certain timber permits; amending Minnesota Statutes 2024, sections 90.101, subdivision 2; 90.151, subdivision 1.

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

Hudson introduced:

H. F. No. 4805, A bill for an act relating to education; removing nondiscrimination and faith-statement restrictions on eligible institutions and enrollment options; amending Minnesota Statutes 2025 Supplement, section 124D.09, subdivision 3.

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

Repinski; Tabke; Heintzeman; Allen; Schwartz; Bliss; Johnson, P.; Greene and Momanyi-Hiltsley introduced:

H. F. No. 4806, A bill for an act relating to natural resources; modifying definition of all-terrain vehicle; modifying fee for nonresident all-terrain vehicle state trail pass; amending Minnesota Statutes 2024, sections 84.92, subdivision 8; 84.9275, subdivision 1.

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

Swedzinski introduced:

H. F. No. 4807, A bill for an act relating to state government; expanding the scope of vehicles requiring an overweight vehicle special permit; restricting local ordinances affecting aggregate mining or production facilities; requiring a legislative audit of the aggregate production tax; appropriating money for aggregate resource inventory; amending Minnesota Statutes 2024, section 169.869, subdivisions 1, 2, 3; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Torkelson introduced:

H. F. No. 4808, A bill for an act relating to state government; establishing an information technology modernization account; allocating general fund surplus dollars to the account; requiring a report; transferring money; amending Minnesota Statutes 2024, section 16A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

West introduced:

H. F. No. 4809, A bill for an act relating to taxation; property; establishing levy limits for local governmental units; amending Minnesota Statutes 2024, section 275.71, subdivisions 2, 4.

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

Stier, Backer, Hudson, Huot and Johnson, P., introduced:

H. F. No. 4810, A bill for an act relating to public safety; eliminating requirement for counties to fund ARMER network expansion; establishing state funding for public safety radio communications infrastructure; establishing framework for collaboration and interoperability across law enforcement jurisdictions; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2024, section 403.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 403.

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

Norris introduced:

H. F. No. 4811, A bill for an act relating to manufactured housing; modifying eviction proceedings for manufactured home park residents; amending Minnesota Statutes 2024, section 327C.11, subdivision 3, by adding subdivisions; repealing Minnesota Statutes 2024, section 327C.11, subdivision 4.

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

Lillie; Pérez-Vega; Hussein; Pinto; Luger-Nikolai; Hollins; Lee, K.; Xiong; Cha; Hill; Johnson, P., and O'Driscoll introduced:

H. F. No. 4812, A bill for an act relating to retirement; modifying provisions relating to the St. Paul Teachers Retirement Fund Association; increasing the pension adjustment revenue for Independent School District No. 625; appropriating money; amending Minnesota Statutes 2024, sections 354A.12, subdivisions 1, 2a; 354A.29, subdivision 7; Minnesota Statutes 2025 Supplement, section 126C.10, subdivision 37.

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

Huot introduced:

H. F. No. 4813, A bill for an act relating to health; providing for informed consent for medical treatment provided to an unconscious patient by a student or medical resident; establishing a penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Huot introduced:

H. F. No. 4814, A bill for an act relating to local government; banning local elected officials from entering certain nondisclosure agreements; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Wolgamott and Coulter introduced:

H. F. No. 4815, A bill for an act relating to capital investment; appropriating money for infrastructure demolition and site restoration on Minnesota State Colleges and Universities campuses.

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

Norris, Howard, Rehrauer and Hansen, R., introduced:

H. F. No. 4816, A bill for an act relating to housing cooperatives; modifying the organization and operation of housing cooperatives; addressing member violations; requiring certain disclosures and notice; permitting a purchaser to cancel; establishing express and implied warranties; requiring insurance; requiring upkeep; making clarifying, technical, and conforming changes; amending Minnesota Statutes 2024, sections 308C.003, by adding subdivisions; 308C.005, subdivisions 4, 7, 9, 10, 12, 13, 22, 23, 27, 29, 31, 33, 41, 43, 46, 47, 48, by adding subdivisions; 308C.009, subdivision 1; 308C.201; 308C.205; 308C.215, subdivisions 1, 3; 308C.221, subdivisions 1, 3, 4; 308C.225, subdivisions 1, 2, 3; 308C.241, subdivisions 1, 2, by adding a subdivision; 308C.245; 308C.301, subdivisions 1, 2; 308C.311; 308C.312; 308C.401; 308C.405; 308C.411, subdivision 1; 308C.415, subdivision 1; 308C.421, subdivision 3; 308C.425, subdivision 2; 308C.441, subdivision 1; 308C.451, subdivisions 1, 2; 308C.471, subdivisions 4, 6; 308C.475, subdivisions 1, 5; 308C.501, subdivisions 1, 2, by adding a subdivision; 308C.505; 308C.511, subdivisions 1, 3; 308C.525, subdivision 1; 308C.531, subdivisions 2, 6; 308C.535, subdivisions 1, 2; 308C.541, subdivision 1; 308C.545, subdivisions 3, 5, by adding subdivisions; 308C.601, subdivisions 2, 6, by adding subdivisions; 308C.602; 308C.603, subdivisions 1, 4, by adding a subdivision; 308C.612, subdivisions 1, 2, 3, by adding subdivisions; 308C.613, subdivisions 1, 2; 308C.614; 308C.615; 308C.625, subdivisions 1, 2; 308C.801, as amended; 308C.835; 308C.902, subdivision 2; 308C.905, subdivision 1; 308C.925; 308C.935, subdivision 2; 308C.941, subdivision 2; 515B.1-102; Minnesota Statutes 2025 Supplement, sections 308C.411, subdivision 2; 308C.545, subdivision 1; 308C.571, subdivision 1; 515B.3-101; 515B.3-103; proposing coding for new law in Minnesota Statutes, chapter 308C; repealing Minnesota Statutes 2024, sections 308C.003, subdivision 3; 308C.005, subdivisions 8, 20, 32, 34, 36, 37, 38, 42, 44; 308C.241, subdivisions 3, 4, 5, 6; 308C.301, subdivisions 3, 4, 5, 6, 7, 10, 11, 12; 308C.411, subdivisions 5, 6; 308C.415, subdivision 2; 308C.501, subdivisions 3, 4; 308C.502; 308C.601, subdivisions 1, 3, 5, 7; 308C.605; 308C.611; 308C.612, subdivisions 4, 5, 6; 308C.616; 308C.627; 308C.701; 308C.705; 308C.711; 308C.715; 308C.721, subdivision 1; 308C.725; 308C.805; Minnesota Statutes 2025 Supplement, sections 308C.301, subdivisions 8, 9, 13; 308C.721, subdivision 2.

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

Norris and West introduced:

H. F. No. 4817, A bill for an act relating to capital investment; appropriating money for asset preservation at the National Sports Center in the city of Blaine; authorizing the sale and issuance of state bonds.

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

Hussein and Lillie introduced:

H. F. No. 4818, A bill for an act relating to workforce development; appropriating money for a grant to the Minnesota Transportation Museum.

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

Kozlowski; Igo; Hollins; Gottfried; Johnson, P., and Warwas introduced:

H. F. No. 4819, A bill for an act relating to environment; appropriating money for a study of critical materials in the waste stream.

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

Klevorn, Acomb, Huot, Tabke and Moller introduced:

H. F. No. 4820, A bill for an act relating to commerce; imposing criminal penalties; requiring individuals who own firearms to obtain and maintain liability insurance; imposing a firearm liability insurance surcharge; proposing coding for new law in Minnesota Statutes, chapters 65A; 297I.

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

Klevorn; Huot; Johnson, P.; Tabke; Reyer; Acomb and Feist introduced:

H. F. No. 4821, A bill for an act relating to state government; authorizing the rounding of a payment or transfer of cash; changing a provision in health insurance benefit plans offered in the nonrepresented employees compensation plan and the managerial plan in chapter 43A; amending Minnesota Statutes 2025 Supplement, section 43A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Falconer and Keeler introduced:

H. F. No. 4822, A bill for an act relating to education; requiring a school board to include student representation; amending Minnesota Statutes 2025 Supplement, section 123B.09, subdivision 1b.

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

Clardy introduced:

H. F. No. 4823, A bill for an act relating to education; modifying provisions of the Read Act; amending Minnesota Statutes 2024, section 120B.123, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 120B.12, subdivisions 1, 2, 4, 4a; 120B.123, subdivisions 1, 5; 120B.124, subdivision 5.

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

Hollins introduced:

H. F. No. 4824, A bill for an act relating to public safety; restricting locations where certain arrests can be made; proposing coding for new law in Minnesota Statutes, chapter 629.

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

Sencer-Mura introduced:

H. F. No. 4825, A bill for an act relating to public utilities; limiting rate recovery of executive pay for certain public utilities; specifying certain utility expenses that may not be recovered from ratepayers; amending Minnesota Statutes 2024, section 216B.16, by adding a subdivision; repealing Minnesota Statutes 2024, section 216B.16, subdivisions 8, 9, 17, 18.

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

Momanyi-Hiltsley introduced:

H. F. No. 4826, A bill for an act relating to housing; appropriating money for the Justice 4 Us The People housing project.

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

Reyer, Virnig and Huot introduced:

H. F. No. 4827, A bill for an act relating to veterans; appropriating money for a woman veterans memorial in the city of Eagan.

The bill was read for the first time and referred to the Veterans and Military Affairs Division.

Greene and Witte introduced:

H. F. No. 4828, A bill for an act relating to public safety; appropriating money for ongoing maintenance for digital geographic information system mapping for school facilities.

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

Hollins introduced:

H. F. No. 4829, A bill for an act relating to energy; adding and modifying provisions to support deployment of energy storage; directing the Public Utilities Commission to issue an order; requiring utilities to install an energy storage system under certain conditions; directing public utilities to file a tariff with the Public Utilities Commission; requiring the Public Utilities Commission to order the installation of energy storage systems; requiring public utilities to file a plan to install energy storage systems; establishing an incentive program to install energy storage systems; appropriating money; amending Minnesota Statutes 2024, sections 216B.1611, by adding a subdivision; 216B.2422, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C.

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

Hollins introduced:

H. F. No. 4830, A bill for an act relating to public safety; prohibiting state and local units of government and law enforcement agencies from acquiring military-grade weapons from the Pentagon's 1033 program; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Hollins introduced:

H. F. No. 4831, A bill for an act relating to health; requiring provider-based clinics to obtain and use a unique National Provider Identifier (NPI) for reimbursement claims; requiring data submitted as all-payer claims data to include a provider-based clinic's unique NPI; amending Minnesota Statutes 2024, section 62U.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Sencer-Mura introduced:

H. F. No. 4832, A bill for an act relating to transportation; establishing survivor support special license plates; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Bierman; Keeler; Hanson, J.; Hicks and Reyer introduced:

H. F. No. 4833, A bill for an act relating to health care; appropriating money for mobile crisis grants and protected transport start-up grants.

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

Agbaje introduced:

H. F. No. 4834, A bill for an act relating to landlord and tenant; prohibiting restrictions on a tenant's ability to participate in a class action; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 504B.

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

Agbaje introduced:

H. F. No. 4835, A bill for an act relating to landlord and tenant; providing tenants with a right to repair violations in a residential rental unit; requiring a notice; permitting a tenant to make deductions from rent; proposing coding for new law in Minnesota Statutes, chapter 504B.

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

Momanyi-Hiltsley, Hussein, Pérez-Vega, Falconer, Agbaje, Luger-Nikolai, Noor and Frazier introduced:

H. F. No. 4836, A bill for an act relating to employment; requiring an employer to provide notice to employees of federal immigration inspection; prohibiting employers from allowing federal immigration into nonpublic work areas; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Bierman, Huot and Hicks introduced:

H. F. No. 4837, A bill for an act relating to human services; increasing the number of physical therapy visits available to children under medical assistance; amending Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 8.

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

Luger-Nikolai introduced:

H. F. No. 4838, A bill for an act relating to state government; precluding state employees and legislators from taking employment with grant recipients in certain situations; amending the definition of serious crime for purposes of recalling a state officer; amending Minnesota Statutes 2024, sections 43A.38, subdivision 2, by adding a subdivision; 211C.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 3; 181.

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

Reyer; Bierman; Pursell; Liebling; Finke; Keeler; Hanson, J.; Freiberg; Elkins; Frederick; Vang; Lee, F.; Smith; Pinto; Carroll; Gottfried; Klevorn; Frazier; Sencer-Mura; Kotyza-Witthuhn; Mahamoud; Berg; Bahner; Buck; Huot; Youakim; Cha; Hollins; Momanyi-Hiltsley; Luger-Nikolai; Pérez-Vega; Fischer; Feist; Lee, K., and Lee, X., introduced:

H. F. No. 4839, A bill for an act relating to health; direction to commissioner of health to join World Health Organization Global Outbreak Alert and Response Network.

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

Frederick; Lee, F.; Hicks; Keeler; Noor; Fischer; Norris; Virnig; Curran; Franson; Momanyi-Hiltsley; Gander and Gillman introduced:

H. F. No. 4840, A bill for an act relating to capital investment; authorizing a lease-purchase agreement and the sale and issuance of certificates of participation to fund improvements to or replacement of the state's MAXIS system; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Agbaje and Nadeau introduced:

H. F. No. 4841, A bill for an act relating to taxation; modifying authority related to the Hennepin County local sales tax; providing for grants to county health care facilities and to the ballpark authority for certain improvements; amending Minnesota Statutes 2024, sections 473.756, by adding a subdivision; 473.757, subdivisions 1, 3, 4, 7, 8, 9, 10, 11, by adding subdivisions; 473.759, subdivision 3.

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

Agbaje introduced:

H. F. No. 4842, A bill for an act relating to housing; appropriating money for a special purpose credit loan program through Build Wealth MN.

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

Agbaje introduced:

H. F. No. 4843, A bill for an act relating to public safety; expanding and refining the procedures of the Clemency Review Commission and Board of Pardons; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2024, sections 638.09, by adding a subdivision; 638.12, subdivision 2; 638.14, subdivision 5; 638.16, subdivision 1; 638.18, subdivision 2; 638.19, subdivision 1; 638.23; Laws 2025, chapter 35, article 2, section 8.

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

Agbaje and Frazier introduced:

H. F. No. 4844, A bill for an act relating to economic development; appropriating money for a grant to Power of People Leadership Institute for the Girls Taking Action and Boys of Hope programs.

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

Hollins and Gomez introduced:

H. F. No. 4845, A bill for an act relating to taxation; income; aids to local governments; establishing a new fifth tier individual income tax rate; increasing the appropriations for local government aid and county program aid; amending Minnesota Statutes 2024, sections 290.06, subdivision 2d; 477A.03, subdivisions 2a, 2b; Minnesota Statutes 2025 Supplement, section 290.06, subdivision 2c.

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

Tabke introduced:

H. F. No. 4846, A bill for an act relating to transportation; authorizing certain organizations to use grant awards to pay administrative costs for the Lights On program; amending Minnesota Statutes 2024, section 169.515, subdivision 5.

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

Rehrauer introduced:

H. F. No. 4847, A bill for an act relating to education; requiring monitoring and enforcement of special education case load limits; proposing coding for new law in Minnesota Statutes, chapter 125A; repealing Minnesota Rules, part 3525.2340, subparts 4, 5.

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

Pinto; Moller; Greenman; Falconer; Buck; Elkins; Kraft; Freiberg; Kozlowski; Hussein; Lee, F.; Virnig; Gottfried; Feist; Pursell; Hill; Greene; Carroll; Bierman and Finke introduced:

H. F. No. 4848, A bill for an act relating to public safety; civil law; creating a public nuisance cause of action for certain conduct related to the sale, marketing, importing, distribution, and manufacturing of firearms; proposing coding for new law in Minnesota Statutes, chapter 604.

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

Gomez introduced:

H. F. No. 4849, A bill for an act relating to taxation; local sales and use; authorizing Hennepin County to impose a local sales tax; proposing coding for new law in Minnesota Statutes, chapter 297A.

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

Virnig introduced:

H. F. No. 4850, A bill for an act relating to health; appropriating money for a grant to study lead exposure in Dakota County.

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

Virnig introduced:

H. F. No. 4851, A bill for an act relating to human services; adding requirements for grant administration policies and training; amending Minnesota Statutes 2024, section 256.01, by adding a subdivision.

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

Reyer and Bierman introduced:

H. F. No. 4852, A bill for an act relating to health; permitting Formulary Committee members with a potential conflict of interest to participate in committee communications and discussions; requiring the commissioner of human services to develop a public comment process for recommendations to the Formulary Committee; requiring the Formulary Committee to seek expertise from the Minnesota Rare Disease Advisory Council; amending Minnesota Statutes 2024, section 256B.0625, subdivisions 13f, 13g; Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 13c.

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

Virnig introduced:

H. F. No. 4853, A bill for an act relating to state government; requiring state-funded playgrounds to use inclusive design standards; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Wolgamott introduced:

H. F. No. 4854, A bill for an act relating to capital investment; appropriating money for the 5th Avenue South Campus and Downtown Connection capital project in the city of St. Cloud; authorizing the sale and issuance of state bonds.

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

Wolgamott introduced:

H. F. No. 4855, A bill for an act relating to capital investment; appropriating money for the Mississippi Riverwalk Connection in the city of St. Cloud; authorizing the sale and issuance of state bonds.

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

Lee, F., introduced:

H. F. No. 4856, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2024, sections 16A.966, subdivision 7; 446A.086, subdivision 11; 462A.37, by adding a subdivision; 474A.02, subdivision 1a; Minnesota Statutes 2025 Supplement, section 462A.37, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Bliss, Franson and Reyer introduced:

H. F. No. 4857, A bill for an act relating to capital investment; appropriating money for a community center on the White Earth Reservation.

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

McDonald, Dippel, Skraba, Joy and Wiener introduced:

H. F. No. 4858, A bill for an act relating to commerce; requiring sellers to accept United States currency for purchases; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Stier introduced:

H. F. No. 4859, A bill for an act relating to capital investment; appropriating money for burn structure and system upgrades at the SCALE regional public safety training facility in the city of Jordan; authorizing the sale and issuance of state bonds.

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

Backer introduced:

H. F. No. 4860, A bill for an act relating to health occupations; authorizing the operation of remote pickup sites from which patients may obtain drugs and devices dispensed by a managing pharmacy; authorizing rulemaking; amending Minnesota Statutes 2024, section 151.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 151.

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

Warwas, Davids and Harder introduced:

H. F. No. 4861, A bill for an act relating to taxation; aids to local governments; increasing the appropriations for local government aid and county program aid; amending Minnesota Statutes 2024, section 477A.03, subdivisions 2a, 2b, by adding a subdivision.

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

Rymer introduced:

H. F. No. 4862, A bill for an act relating to apprenticeships; modifying the registered teacher apprenticeship competitive grant program.

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

Hill introduced:

H. F. No. 4863, A bill for an act relating to natural resources; clarifying public waters and public drainage system laws; amending Minnesota Statutes 2024, sections 103E.701, subdivision 2; 103G.225; 103G.245, subdivision 2.

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

Pérez-Vega, Xiong and Hussein introduced:

H. F. No. 4864, A bill for an act relating to capital improvements; appropriating money for the West 7th Street Improvement Project in the city of St. Paul.

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

Pursell introduced:

H. F. No. 4865, A bill for an act relating to transportation; appropriating money for a roundabout at the intersection of marked Trunk Highway 19 and Armstrong Road in Northfield; authorizing the sale and issuance of state bonds.

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

Fischer introduced:

H. F. No. 4866, A bill for an act relating to capital investment; appropriating money to Saint Paul Regional Water Services for improvements to the Fridley pump station and to replace lead drinking water service lines; authorizing the sale and issuance of state bonds.

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

Lee, K., introduced:

H. F. No. 4867, A bill for an act relating to consumer protection; removing deposit limit on the consumer protection restitution account; setting distribution limits; amending Minnesota Statutes 2025 Supplement, section 8.37, subdivisions 3, 5.

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Niska from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, April 9, 2026 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3516, 3528 and 3718; and S. F. Nos. 3402 and 3602.

MOTIONS AND RESOLUTIONS

Curran moved that the name of Feist be added as an author on H. F. No. 44. The motion prevailed.

Clardy moved that the name of Carroll be added as an author on H. F. No. 60. The motion prevailed.

Mekeland moved that the names of Perryman and Franson be added as authors on H. F. No. 482. The motion prevailed.

Momanyi-Hiltsley moved that the name of Lee, X., be added as an author on H. F. No. 971. The motion prevailed.

Hollins moved that the names of Xiong and Carroll be added as authors on H. F. No. 1426. The motion prevailed.

Rehrauer moved that the name of Rehrauer be stricken as and author on H. F. No. 1434. The motion prevailed.

Bakeberg moved that the names of Robbins, Mueller and Rarick be added as authors on H. F. No. 1434. The motion prevailed.

Hanson, J., moved that the name of Engen be added as an author on H. F. No. 1606. The motion prevailed.

Davids moved that the name of Schwartz be added as an author on H. F. No. 1669. The motion prevailed.

Anderson, P. H., moved that the name of Hollins be added as an author on H. F. No. 1698. The motion prevailed.

Igo moved that the name of Knudsen be added as an author on H. F. No. 2002. The motion prevailed.

Johnson, P., moved that the name of Virnig be added as an author on H. F. No. 2099. The motion prevailed.

Robbins moved that the name of Burkel be added as an author on H. F. No. 2113. The motion prevailed.

Norris moved that the name of Fischer be added as an author on H. F. No. 2627. The motion prevailed.

Greenman moved that the name of Rehm be added as an author on H. F. No. 2688. The motion prevailed.

Davids moved that the names of Perryman, Gander, Schwartz and Knudsen be added as authors on H. F. No. 3127. The motion prevailed.

Moller moved that the name of Norris be added as an author on H. F. No. 3230. The motion prevailed.

Huot moved that the name of Bahner be added as an author on H. F. No. 3356. The motion prevailed.

Roach moved that the name of Fogelman be added as an author on H. F. No. 3376. The motion prevailed.

Niska moved that the name of Bakeberg be added as an author on H. F. No. 3395. The motion prevailed.

Sencer-Mura moved that the name of Freiberg be added as an author on H. F. No. 3409. The motion prevailed.

Greenman moved that the name of Moller be added as an author on H. F. No. 3419. The motion prevailed.

Hanson, J., moved that the name of Kraft be added as an author on H. F. No. 3453. The motion prevailed.

Long moved that the name of Xiong be added as an author on H. F. No. 3477. The motion prevailed.

Myers moved that the name of McDonald be added as an author on H. F. No. 3490. The motion prevailed.

Lawrence moved that the name of Repinski be added as an author on H. F. No. 3493. The motion prevailed.

Hudson moved that the name of Bakeberg be added as an author on H. F. No. 3542. The motion prevailed.

Curran moved that the names of Bakeberg and Nadeau be added as authors on H. F. No. 3602. The motion prevailed.

Jordan moved that the name of Jones be added as an author on H. F. No. 3620. The motion prevailed.

Koegel moved that the name of Hanson, J., be added as an author on H. F. No. 3642. The motion prevailed.

Gillman moved that the name of Dippel be added as an author on H. F. No. 3687. The motion prevailed.

Johnson, P., moved that the names of Youakim and Jones be added as authors on H. F. No. 3695. The motion prevailed.

Gottfried moved that the names of Fischer and Smith be added as authors on H. F. No. 3698. The motion prevailed.

Hill moved that the name of Jones be added as an author on H. F. No. 3701. The motion prevailed.

Pursell moved that the names of Youakim and Jones be added as authors on H. F. No. 3704. The motion prevailed.

Jordan moved that the name of Jones be added as an author on H. F. No. 3713. The motion prevailed.

Koegel moved that the name of Jones be added as an author on H. F. No. 3728. The motion prevailed.

Kraft moved that the name of Jones be added as an author on H. F. No. 3737. The motion prevailed.

Nadeau moved that the name of Tabke be added as an author on H. F. No. 3764. The motion prevailed.

Youakim moved that the name of Kraft be added as an author on H. F. No. 3792. The motion prevailed.

Sencer-Mura moved that the name of Kraft be added as an author on H. F. No. 3795. The motion prevailed.

Hollins moved that the name of Allen be added as an author on H. F. No. 3802. The motion prevailed.

Anderson, P. E., moved that the name of Bakeberg be added as an author on H. F. No. 3814. The motion prevailed.

Anderson, P. E., moved that the name of Bakeberg be added as an author on H. F. No. 3815. The motion prevailed.

Anderson, P. E., moved that the name of Bakeberg be added as an author on H. F. No. 3817. The motion prevailed.

Warwas moved that the name of Johnson, P., be added as an author on H. F. No. 3834. The motion prevailed.

Virnig moved that the name of Lillie be added as an author on H. F. No. 3885. The motion prevailed.

Falconer moved that the name of Youakim be added as an author on H. F. No. 3896. The motion prevailed.

Falconer moved that the name of Kraft be added as an author on H. F. No. 3899. The motion prevailed.

Igo moved that the names of Burkel and Skraba be added as authors on H. F. No. 3900. The motion prevailed.

Hanson, J., moved that the name of Lillie be added as an author on H. F. No. 3904. The motion prevailed.

Clardy moved that the name of Youakim be added as an author on H. F. No. 3905. The motion prevailed.

Luger-Nikolai moved that the name of Kraft be added as an author on H. F. No. 3916. The motion prevailed.

Hill moved that the name of Greene be added as an author on H. F. No. 3930. The motion prevailed.

Bahner moved that the name of Youakim be added as an author on H. F. No. 3937. The motion prevailed.

Huot moved that the name of Youakim be added as an author on H. F. No. 3959. The motion prevailed.

Bierman moved that the name of Kraft be added as an author on H. F. No. 3964. The motion prevailed.

Finke moved that the name of Kraft be added as an author on H. F. No. 3976. The motion prevailed.

Hansen, R., moved that the name of Clardy be added as an author on H. F. No. 4080. The motion prevailed.

Nash moved that the name of Sencer-Mura be added as an author on H. F. No. 4090. The motion prevailed.

Bakeberg moved that the names of Bennett, Mueller, Gander, and Duran be added as authors on H. F. No. 4114. The motion prevailed.

Kotyza-Witthuhn moved that the name of Lillie be added as an author on H. F. No. 4136. The motion prevailed.

Scott moved that the names of Dippel, Zeleznikar and Bakeberg be added as authors on H. F. No. 4138

Nadeau moved that the name of Bierman be added as an author on H. F. No. 4145. The motion prevailed.

Rehrauer moved that the name of Freiberg be added as an author on H. F. No. 4171. The motion prevailed.

Klevorn moved that the name of Youakim be added as an author on H. F. No. 4172. The motion prevailed.

Greene moved that the name of Youakim be added as an author on H. F. No. 4196. The motion prevailed.

Frazier moved that the name of Kraft be added as an author on H. F. No. 4206. The motion prevailed.

Elkins moved that the name of Kraft be added as an author on H. F. No. 4223. The motion prevailed.

Lillie moved that the name of Youakim be added as an author on H. F. No. 4237. The motion prevailed.

Virnig moved that the name of Freiberg be added as an author on H. F. No. 4244. The motion prevailed.

West moved that the name of Koznick be added as an author on H. F. No. 4277. The motion prevailed.

McDonald moved that the name of Rarick be added as an author on H. F. No. 4295. The motion prevailed.

Bierman moved that the name of Robbins be added as an author on H. F. No. 4347. The motion prevailed.

Jones moved that the name of Falconer be added as an author on H. F. No. 4377. The motion prevailed.

Kozlowski moved that the name of Freiberg be added as an author on H. F. No. 4378. The motion prevailed.

Reyer moved that the name of Pursell be added as an author on H. F. No. 4401. The motion prevailed.

Myers moved that the name of Rarick be added as an author on H. F. No. 4425. The motion prevailed.

Sencer-Mura moved that the name of Freiberg be added as an author on H. F. No. 4454. The motion prevailed.

Hussein moved that the name of Tabke be added as an author on H. F. No. 4463. The motion prevailed.

Hollins moved that the name of Virnig be added as an author on H. F. No. 4468. The motion prevailed.

Hollins moved that the name of Virnig be added as an author on H. F. No. 4469. The motion prevailed.

Reyer moved that the names of Johnson, P., and Virnig be added as authors on H. F. No. 4472. The motion prevailed.

Xiong moved that the name of Frazier be shown as chief author on H. F. No. 4477. The motion prevailed.

Perryman moved that the name of Davids be added as an author on H. F. No. 4502. The motion prevailed.

Fischer moved that the name of Reyer be added as an author on H. F. No. 4538. The motion prevailed.

Bakeberg moved that the name of Perryman be added as an author on H. F. No. 4569. The motion prevailed.

Robbins moved that the name of Schultz be added as an author on H. F. No. 4593. The motion prevailed.

Schomacker moved that the name of Lillie be added as an author on H. F. No. 4595. The motion prevailed.

Gomez moved that the name of Rehrauer be added as an author on H. F. No. 4616. The motion prevailed.

Rehm moved that the names of Rehrauer and Norris be added as authors on H. F. No. 4621. The motion prevailed.

Wolgamott moved that the name of Norris be added as an author on H. F. No. 4627. The motion prevailed.

Johnson, P., moved that the name of Rehrauer be added as an author on H. F. No. 4631. The motion prevailed.

Rehrauer moved that the name of Norris be added as an author on H. F. No. 4645. The motion prevailed.

Lee, F., moved that the name of Rehrauer be added as an author on H. F. No. 4656. The motion prevailed.

Johnson, P., moved that the name of Rehrauer be added as an author on H. F. No. 4658. The motion prevailed.

Robbins moved that the name of Schultz be added as an author on H. F. No. 4664. The motion prevailed.

Robbins moved that the names of Schultz and Backer be added as authors on H. F. No. 4684. The motion prevailed.

Stier moved that the name of Rehrauer be added as an author on H. F. No. 4700. The motion prevailed.

Igo moved that the name of Zeleznikar be added as an author on H. F. No. 4703. The motion prevailed.

Bierman moved that the names of Pursell and Norris be added as authors on H. F. No. 4719. The motion prevailed.

Johnson, P., moved that the name of Rehrauer be added as an author on H. F. No. 4723. The motion prevailed.

Johnson, P., moved that the name of Rehrauer be added as an author on H. F. No. 4724. The motion prevailed.

Hanson, J., moved that the name of Norris be added as an author on H. F. No. 4732. The motion prevailed.

Keeler moved that the name of Rehrauer be added as an author on H. F. No. 4737. The motion prevailed.

Luger-Nikolai moved that the name of Agbaje be added as an author on H. F. No. 4739. The motion prevailed.

Curran moved that the name of Rehrauer be added as an author on H. F. No. 4741. The motion prevailed.

Curran moved that the name of Rehrauer be added as an author on H. F. No. 4742. The motion prevailed.

Franson moved that the name of Burkel be added as an author on H. F. No. 4750. The motion prevailed.

Hudson moved that the name of Burkel be added as an author on H. F. No. 4759. The motion prevailed.

Schwartz moved that the name of Allen be added as an author on H. F. No. 4771. The motion prevailed.

Schwartz moved that the name of Allen be added as an author on H. F. No. 4772. The motion prevailed.

Schwartz moved that the name of Allen be added as an author on H. F. No. 4773. The motion prevailed.

Joy moved that the name of Perryman be added as an author on H. F. No. 4775. The motion prevailed.

Heintzeman moved that the name of Davis be added as an author on H. F. No. 4787. The motion prevailed.

Wiener moved that the name of Backer be added as an author on H. R. No. 6. The motion prevailed.

Davis moved that the name of Backer be added as an author on H. R. No. 7. The motion prevailed.

Bakeberg moved that S. F. No. 3887 be recalled from the Committee on Elections Finance and Government Operations and together with H. F. No. 3571, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

MOTION TO SUSPEND RULES

Niska moved that the rules of the House be so far suspended so that H. F. No. 2685 be recalled from the Committee on Education Policy, be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

Pursuant to Rule 10.05, relating to Remote House Operations, the DFL Caucus Leader permitted the following members to vote via remote means for the remainder of today's session: Lee, F., and Kotyza-Witthuhn.

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

CALL OF THE HOUSE

On the motion of Niska and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Acomb	Davis	Hansen, R.	Kozlowski	Niska	Sencer-Mura
Agbaje	Dippel	Hanson, J.	Koznick	Noor	Sexton
Allen	Dotseth	Harder	Kraft	Norris	Skraba
Altendorf	Duran	Heintzeman	Kresha	Novotny	Smith
Anderson, P. E.	Elkins	Hicks	Lawrence	O'Driscoll	Stephenson
Anderson, P. H.	Engen	Hill	Lee, K.	Olson	Stier
Backer	Falconer	Hollins	Lee, X.	Pérez-Vega	Swedzinski
Bahner	Feist	Howard	Liebling	Perryman	Tabke
Bakeberg	Finke	Hudson	Lillie	Pinto	Torkelson
Baker	Fischer	Huot	Long	Pursell	Van Binsbergen
Bennett	Fogelman	Hussein	Luger-Nikolai	Quam	Vang
Berg	Franson	Igo	Mahamoud	Rarick	Virnig
Bierman	Frazier	Jacob	McDonald	Rehm	Warwas
Bliss	Frederick	Johnson, P.	Mekeland	Repinski	West
Buck	Freiberg	Johnson, W.	Moller	Reyer	Wiener
Burkel	Gander	Jones	Momanyi-Hiltsley	Roach	Witte
Carroll	Gillman	Jordan	Mueller	Robbins	Wolgamott
Cha	Gomez	Joy	Murphy	Rymer	Xiong
Clardy	Gordon	Keeler	Myers	Schomacker	Youakim
Coulter	Gottfried	Klevorn	Nadeau	Schultz	Zeleznikar
Curran	Greene	Knudsen	Nash	Schwartz	Spk. Demuth
Davids	Greenman	Koegel	Nelson	Scott	

The question recurred on the Niska motion and the roll was called. There were 67 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Allen	Baker	Dippel	Gander	Igo	Kresha
Altendorf	Bennett	Dotseth	Gillman	Jacob	Lawrence
Anderson, P. E.	Bliss	Duran	Gordon	Johnson, W.	McDonald
Anderson, P. H.	Burkel	Engen	Harder	Joy	Mekeland
Backer	Davids	Fogelman	Heintzeman	Knudsen	Mueller
Bakeberg	Davis	Franson	Hudson	Koznick	Murphy

Myers	O'Driscoll	Roach	Scott	Van Binsbergen	Spk. Demuth
Nadeau	Olson	Robbins	Sexton	Warwas	
Nash	Perryman	Rymer	Skraba	West	
Nelson	Quam	Schomacker	Stier	Wiener	
Niska	Rarick	Schultz	Swedzinski	Witte	
Novotny	Repinski	Schwartz	Torkelson	Zeleznikar	

Those who voted in the negative were:

Acomb	Elkins	Greenman	Jordan	Lillie	Rehm
Agbaje	Falconer	Hansen, R.	Keeler	Long	Reyer
Bahner	Feist	Hanson, J.	Klevorn	Luger-Nikolai	Sencer-Mura
Berg	Finke	Hicks	Koegel	Mahamoud	Smith
Bierman	Fischer	Hill	Kotyza-Witthuhn	Moller	Stephenson
Buck	Frazier	Hollins	Kozlowski	Momanyi-Hiltsley	Tabke
Carroll	Frederick	Howard	Kraft	Noor	Vang
Cha	Freiberg	Huot	Lee, F.	Norris	Virnig
Clardy	Gomez	Hussein	Lee, K.	Pérez-Vega	Wolgamott
Coulter	Gottfried	Johnson, P.	Lee, X.	Pinto	Xiong
Curran	Greene	Jones	Liebling	Pursell	Youakim

Not having received the required two-thirds vote, the motion did not prevail.

MOTION TO TAKE FROM THE TABLE

Niska moved that H. F. No. 12 be taken from the table.

A roll call was requested and properly seconded.

The question was taken on the Niska motion and the roll was called. There were 67 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Allen	Dippel	Igo	Myers	Roach	Van Binsbergen
Altendorf	Dotseth	Jacob	Nadeau	Robbins	Warwas
Anderson, P. E.	Duran	Johnson, W.	Nash	Rymer	West
Anderson, P. H.	Engen	Joy	Nelson	Schomacker	Wiener
Backer	Fogelman	Knudsen	Niska	Schultz	Witte
Bakeberg	Franson	Koznick	Novotny	Schwartz	Zeleznikar
Baker	Gander	Kresha	O'Driscoll	Scott	Spk. Demuth
Bennett	Gillman	Lawrence	Olson	Sexton	
Bliss	Gordon	McDonald	Perryman	Skraba	
Burkel	Harder	Mekeland	Quam	Stier	
Davids	Heintzeman	Mueller	Rarick	Swedzinski	
Davis	Hudson	Murphy	Repinski	Torkelson	

Those who voted in the negative were:

Acomb	Bierman	Clardy	Falconer	Frazier	Gottfried
Agbaje	Buck	Coulter	Feist	Frederick	Greene
Bahner	Carroll	Curran	Finke	Freiberg	Greenman
Berg	Cha	Elkins	Fischer	Gomez	Hansen, R.

Hanson, J.	Johnson, P.	Kozlowski	Long	Pérez-Vega	Stephenson
Hicks	Jones	Kraft	Luger-Nikolai	Pinto	Tabke
Hill	Jordan	Lee, F.	Mahamoud	Pursell	Vang
Hollins	Keeler	Lee, K.	Moller	Rehm	Virnig
Howard	Klevorn	Lee, X.	Momanyi-Hiltsley	Reyer	Wolgamott
Huot	Koegel	Liebling	Noor	Sencer-Mura	Xiong
Hussein	Kotyza-Witthuhn	Lillie	Norris	Smith	Youakim

Not having received the required 68 votes, the motion did not prevail.

MOTION TO TAKE FROM THE TABLE

Niska moved that H. F. No. 1233 be taken from the table.

A roll call was requested and properly seconded.

The question was taken on the Niska motion and the roll was called. There were 67 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Allen	Dippel	Igo	Myers	Roach	Van Binsbergen
Altendorf	Dotseth	Jacob	Nadeau	Robbins	Warwas
Anderson, P. E.	Duran	Johnson, W.	Nash	Rymer	West
Anderson, P. H.	Engen	Joy	Nelson	Schomacker	Wiener
Backer	Fogelman	Knudsen	Niska	Schultz	Witte
Bakeberg	Franson	Koznick	Novotny	Schwartz	Zeleznikar
Baker	Gander	Kresha	O'Driscoll	Scott	Spk. Demuth
Bennett	Gillman	Lawrence	Olson	Sexton	
Bliss	Gordon	McDonald	Perryman	Skraba	
Burkel	Harder	Mekeland	Quam	Stier	
Davids	Heintzeman	Mueller	Rarick	Swedzinski	
Davis	Hudson	Murphy	Repinski	Torkelson	

Those who voted in the negative were:

Acomb	Elkins	Greenman	Jordan	Lillie	Rehm
Agbaje	Falconer	Hansen, R.	Keeler	Long	Reyer
Bahner	Feist	Hanson, J.	Klevorn	Luger-Nikolai	Sencer-Mura
Berg	Finke	Hicks	Koegel	Mahamoud	Smith
Bierman	Fischer	Hill	Kotyza-Witthuhn	Moller	Stephenson
Buck	Frazier	Hollins	Kozlowski	Momanyi-Hiltsley	Tabke
Carroll	Frederick	Howard	Kraft	Noor	Vang
Cha	Freiberg	Huot	Lee, F.	Norris	Virnig
Clardy	Gomez	Hussein	Lee, K.	Pérez-Vega	Wolgamott
Coulter	Gottfried	Johnson, P.	Lee, X.	Pinto	Xiong
Curran	Greene	Jones	Liebling	Pursell	Youakim

Not having received the required 68 votes, the motion did not prevail.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following appointments and changes in committee assignments:

Education Finance: Delete the names of Engen and Hudson and add the names of Gander and Gordon.

Fraud Prevention and State Agency Oversight Policy: Delete the name of Hudson and add the name of Nash.

Judiciary Finance and Civil Law: Delete the names of Engen and Hudson and show the name of Duran as GOP Co-Vice Chair, and add the names of Novotny and Rarick.

Public Safety Finance and Policy: Delete the names of Engen and Hudson and add the names of Warwas and Knudsen.

Rules and Legislative Administration: Delete the name of Engen and show the name of Schultz as GOP Co-Vice Chair, and add the name of Allen.

ADJOURNMENT

Niska moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, April 9, 2026. The motion prevailed.

Niska moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:30 p.m., Thursday, April 9, 2026.

PATRICK DUFFY MURPHY, Chief Clerk, House of Representatives