

STATE OF MINNESOTA

Journal of the House

NINETY-FOURTH SESSION — 2026

SIXTIETH LEGISLATIVE DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 20, 2026

The House of Representatives convened at 1:00 p.m. and was called to order by Mike Freiberg, Speaker pro tempore.

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

A quorum was present.

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

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

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The Speaker assumed the Chair.

REPORTS OF CHIEF CLERK

S. F. No. 3622 and H. F. No. 3459, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Feist moved that S. F. No. 3622 be substituted for H. F. No. 3459 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3637 and H. F. No. 3844, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Joy moved that S. F. No. 3637 be substituted for H. F. No. 3844 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 4339 and H. F. No. 4233, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kraft moved that S. F. No. 4339 be substituted for H. F. No. 4233 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Howard and Igo from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 1141, A bill for an act relating to housing; authorizing the issuance of housing infrastructure bonds; appropriating money; amending Minnesota Statutes 2024, section 462A.37, subdivision 5, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 HOUSING APPROPRIATIONS

Section 1. Laws 2025, chapter 32, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$101,148,000	\$82,798,000
		<u>103,098,000</u>

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

(b) Unless otherwise specified, the appropriations for the programs in this section are appropriated and made available for the purposes of the housing development fund. Except as otherwise indicated, the amounts appropriated are part of the agency's permanent budget base.

Sec. 2. Laws 2025, chapter 32, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. Workforce Housing Development	2,000,000	2,000,000 <u>22,000,000</u>
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(a) This appropriation is for the greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income- and rent-restricted units. Funded properties may include owner-occupied homes.

(b) The base for this program in fiscal year 2028 and beyond is \$2,000,000.

Sec. 3. Laws 2025, chapter 32, article 1, section 2, subdivision 15, is amended to read:

Subd. 15. Homeownership Education, Counseling, and Training	857,000	857,000 <u>1,007,000</u>
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(a) This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

(b) The base for this program in fiscal year 2028 and beyond is \$857,000.

Sec. 4. Laws 2025, chapter 32, article 1, section 2, is amended by adding a subdivision to read:

Subd. 21. <u>Minnesota Nice HomeShare</u>	-0-	<u>150,000</u>
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(a) This appropriation is for the Minnesota Nice HomeShare pilot program. This is a onetime appropriation.

(b) The commissioner of the Minnesota Housing Finance Agency must establish and administer the Minnesota Nice HomeShare pilot program to award a grant under this section. The commissioner shall award a grant for assisting seniors in the counties of Lake, St. Louis, and Washington to reduce living expenses by matching seniors who own homes with spare rooms to adults in need of affordable housing. For the purposes of this section, "senior" means a person 55 years of age or older. The commissioner may partner with the Arrowhead Area Agency on Aging or organizations that advocate for seniors to promote the program.

(c) A grantee must:

(1) assist hosts and renters over the telephone, through a text chat function or by video;

(2) collect and process rental payments from renters and distribute payments to hosts in a timely manner;

(3) protect the private information and data of hosts and renters;

(4) conduct background checks on hosts and renters, including contacting at least two references for each host and renter;

(5) acquire from renters employment verification or proof of school enrollment; and

(6) review and process all applications.

Sec. 5. RETURN OF UNUSED TAX-FORFEITED SETTLEMENT APPROPRIATION; CANCELLATION; APPROPRIATION.

Subdivision 1. **Return of funds.** Notwithstanding Laws 2024, chapter 113, section 1, subdivision 5, on June 29, 2026, the claims administrator appointed under Laws 2024, chapter 113, to settle litigation related to the state's retention of tax-forfeited lands, surplus proceeds from the sale of tax-forfeited lands, and mineral rights in those lands, must return to the commissioner of management and budget the amount of the appropriation under Laws 2024, chapter 113, section 1, subdivision 5, that is not needed to settle claims under Laws 2024, chapter 113.

Subd. 2. **Cancellation.** The commissioner of management and budget must cancel the amount received under subdivision 1 to the general fund within one day of the receipt of the funds.

Subd. 3. **Appropriation.** The amount canceled under subdivision 2 is appropriated in fiscal year 2027 to the commissioner of the Minnesota Housing Finance Agency for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204. This appropriation is onetime and is made available for the purposes of the housing development fund. Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees.

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

Sec. 6. TRANSFER.

On June 29, 2026, the commissioner of management and budget must transfer \$22,300,000 to the general fund from the housing development fund from the aggregated earnings from investments of state appropriations made pursuant to Minnesota Statutes, section 462A.20, subdivision 3. This is a onetime transfer.

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

ARTICLE 2
HOUSING INFRASTRUCTURE BONDS

Section 1. Minnesota Statutes 2024, section 462A.37, is amended by adding a subdivision to read:

Subd. 2l. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2k and 3a, the agency may issue up to \$100,000,000 in one or more series to which the payments under this section may be pledged.

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

Sec. 2. Minnesota Statutes 2025 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(k) Each July 15, beginning in 2027 and through 2048, if any housing infrastructure bonds issued under subdivision 2k, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(l) Each July 15, beginning in 2028 and through 2049, if any housing infrastructure bonds issued under subdivision 2l or housing infrastructure bonds issued to refund those bonds remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(m) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

ARTICLE 3 HOUSING POLICY

Section 1. Minnesota Statutes 2024, section 462A.05, subdivision 8, is amended to read:

Subd. 8. **Service charges.** (a) It may collect reasonable interest, fees, and charges in connection with making and servicing its loans, notes, bonds, obligations, commitments and other evidences of indebtedness, and in connection with providing technical, consultative and project assistance services. Such interest, fees and charges shall be limited to the amounts required to pay the costs of the agency, including operating and administrative expenses, and reasonable allowances for losses which may be incurred.

(b) Notwithstanding section 16B.98, subdivision 14, or any other law to the contrary, the agency may not retain any portion of any amount appropriated to the agency, unless the aggregated earnings from investments of state appropriations are insufficient to pay the costs and expenses necessary and incidental to the development and operation of programs funded by state appropriations. Retentions from state appropriations may not exceed the amount by which the costs and expenses necessary and incidental to the development and operation of state programs exceed the aggregated earnings from investments of state appropriations. Prior to retaining any portion of an appropriation to the agency, the agency must notify the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy.

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

Sec. 2. Minnesota Statutes 2024, section 462A.20, subdivision 3, is amended to read:

Subd. 3. **Separate accounts; transfers; limits.** Whenever any money is appropriated by the state to the agency solely for a specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the housing development fund to record the receipt and disbursement of such money and of the income, gain, and loss from the investment and reinvestment thereof. Earnings from investment of any amounts appropriated by the state to the agency for a specified purpose or purposes may be aggregated. The costs and expenses necessary and incidental to the development and operation of all programs funded by state appropriations may be paid from the aggregated earnings from investments ~~prior to periodic distributions of earnings to separate accounts to be used for the same purpose as the respective original appropriation.~~ The agency must annually distribute earnings as provided in subdivision 5. The agency may transfer unencumbered balances from one appropriated account to another, provided that no money appropriated for the purpose of agency loan programs may be transferred to an account to be used for making grants, except that money appropriated for the purpose of section 462A.05, subdivision 14a, may be transferred for the purpose of section 462A.05, subdivision 15a. Prior to transferring balances from one appropriated account to another, the agency must notify the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy.

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

Sec. 3. Minnesota Statutes 2024, section 462A.20, subdivision 4, is amended to read:

Subd. 4. **~~Operating costs~~ Housing development fund report.** (a) On or before February 15 of each year, the agency shall deliver a report to the chairs of the finance and appropriations committees of the legislature on the costs of operating the agency in the previous fiscal year. The report shall include the expenditures for salaries and benefits, rent, professional and technical services, general agency administration, and agency's audited financial statements which include information on expenditures and receipts relating to debt issuance and administration and loan origination and administration. The report must detail which operating costs and expenditures are attributable to the development and operation of programs funded by state appropriations, with a breakdown of costs and expenditures by program. The report shall include a budget plan for salaries and benefits, rent, professional and technical services, and general administration for the current fiscal year, including estimates of changes in costs from the previous fiscal year. If it appears that the costs in the current fiscal year will exceed the budget plan contained in the report submitted under this subdivision, the agency must notify the chairs of the legislative committees or divisions with jurisdiction over the agency's budget that the costs in the current fiscal year will exceed the submitted budget plan and the reasons for the changes in costs and must submit a revised budget plan to the commissioner of management and budget and obtain the commissioner's concurrence with the revised plan. The agency must also notify the chairs of the legislative committees or divisions with jurisdiction over the agency's budget when the agency is considering an expansion of agency activities that ~~were~~ was not contemplated in the submitted budget plan.

(b) The report under this subdivision must additionally provide:

- (1) the amount in the housing development fund as of January 1 of the year the report is to be submitted;
- (2) the amount of aggregated earnings from investments of state appropriations as of January 1 of the year the report is to be submitted;
- (3) the amounts used pursuant to subdivision 5 in the prior calendar year and the programs for which each amount was originally appropriated and through which each amount was used;
- (4) the amounts of, and reasons for, any transfers made pursuant to subdivision 3 or to section 462A.21, subdivision 12a, in the prior calendar year;

(5) the amounts and details of any grants, loans, expenditures, or payments made out of the housing development fund pursuant to section 462A.21 in the prior calendar year;

(6) the amounts of any administrative retentions from state appropriations in the prior calendar year;

(7) the unencumbered balance in the housing development fund as of January 1 of the year the report is to be submitted;

(8) the amount of fees and charges appropriated to the agency pursuant to subdivision 2, clause (4), in the prior calendar year; and

(9) the amount, as of January 1 of the year the report is to be submitted, of the unencumbered balance that was appropriated prior to the current fiscal year, including citations to the laws making the original appropriations and explanations why the amounts remain unencumbered.

Sec. 4. Minnesota Statutes 2024, section 462A.20, is amended by adding a subdivision to read:

Subd. 5. **Expenditure of earnings from investments of state appropriations required.** Each year on June 30, the commissioner must determine the difference between: (1) the amount of aggregated earnings from investments of state appropriations in the housing development fund; and (2) the amount that the agency paid itself, pursuant to subdivision 3, for the costs and expenses necessary and incidental to the development and operation of programs funded by state appropriations since July 1 of the preceding year. In each fiscal year beginning with fiscal year 2027, the commissioner must expend the difference determined in the preceding sentence in the preceding fiscal year, in the manner provided in this subdivision. The commissioner must use earnings from investments for the same purpose as the respective original appropriation, except that, if in a given fiscal year it is impracticable to undertake the solicitation process under section 16C.06 for the same purpose for which an original appropriation was made, the commissioner may use the earnings from investments of that appropriation for an agency purpose under section 462A.21 or under another program receiving state appropriations that is consistent with legislative intent and comparable to the purpose for which the original appropriation was made.

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

Sec. 5. Minnesota Statutes 2024, section 462A.21, subdivision 10, is amended to read:

Subd. 10. **Certain appropriations available until expended.** Notwithstanding the repeal of section 462A.26 and the provisions of section 16A.28 or any other law relating to lapse of an appropriation, the appropriations made to the agency by the legislature in 1976 and subsequent years are available until fully expended, and the allocations provided in the appropriations remain in effect. ~~Earnings from investments of any of the amounts appropriated to the agency are appropriated to the agency to be used for the same purposes as the respective original appropriations, after payment of the costs and expenses necessary and incidental to the development and operation of the programs authorized under this chapter.~~

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

Sec. 6. Minnesota Statutes 2024, section 462A.21, subdivision 12a, is amended to read:

Subd. 12a. **Program money transfer.** Unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3. Prior to making a transfer pursuant to this subdivision, the agency must notify the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy.

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

Sec. 7. **[462A.45] LIVED-EXPERIENCE ENGAGEMENT EXEMPTION.**

(a) Notwithstanding any law to the contrary, income received from lived-experience engagement is not considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for state public assistance, including but not limited to:

(1) child care assistance programs under chapter 142E;

(2) general assistance, Minnesota supplemental aid, and food support under chapters 142F and 256D;

(3) housing support under chapter 256I;

(4) Minnesota family investment program under chapter 142G; and

(5) economic assistance programs under chapter 256P.

(b) For purposes of this section, "lived-experience engagement" means the agency engaging with people with relevant experience identified by the agency for the purposes of (1) serving as a community reviewer of proposals submitted as part of an agency request for proposals, or (2) gathering and sharing feedback on the impact of housing programs.

Sec. 8. **REPEALER.**

Minnesota Statutes 2024, section 462A.21, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to housing; establishing a supplemental budget for the Minnesota Housing Finance Agency; authorizing the issuance of housing infrastructure bonds; modifying the authority of the Minnesota Housing Finance Agency over the housing development fund; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 462A.05, subdivision 8; 462A.20, subdivisions 3, 4, by adding a subdivision; 462A.21, subdivisions 10, 12a; 462A.37, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 462A.37, subdivision 5; Laws 2025, chapter 32, article 1, section 2, subdivisions 1, 3, 15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, section 462A.21, subdivision 5."

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. 3426, A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; extending certain prior appropriations.

Reported the same back with the following amendments:

Page 1, line 18, delete "103,288,000" and insert "102,036,000"

Page 12, line 12, delete "37,806,000" and insert "36,554,000"

Page 19, delete lines 16 to 27

Reletter the paragraphs in sequence

Page 50, after line 2, insert:

"Sec. 3. Minnesota Statutes 2024, section 116P.08, subdivision 4, is amended to read:

Subd. 4. **Legislative recommendations.** (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) The commission must recommend an annual or biennial legislative bill to make appropriations from the trust fund for the purposes provided in subdivision 1. The recommendations must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust fund expenditures to partner with existing regional organizations that have strong citizen involvement, to address unique local needs and capacity, and to leverage all available funding sources for projects.

~~(d) The commission may recommend the establishment of an emerging issues account in its legislative bill for funding emerging issues, which come up unexpectedly, but which still adhere to the commission's strategic plan, to be approved by the governor after initiation and recommendation by the commission.~~

~~(e)~~ (d) Money in the trust fund may not be spent except under an appropriation by law.

Sec. 4. Minnesota Statutes 2024, section 116P.08, is amended by adding a subdivision to read:

Subd. 4a. **Emerging issues account.** (a) The commission may recommend the establishment of an emerging issues account in its legislative bill for funding emerging issues, which come up unexpectedly but still adhere to the commission's strategic plan.

(b) Money in the emerging issues account may only be spent on activities that meet all of the following requirements:

(1) address an immediate threat to public health, the environment, or the state's natural resources; and

(2) are conducted by a state agency or performed under a contract directed by a state agency.

(c) Money in the emerging issues account may not be spent on:

(1) a project that was previously reviewed and rejected by the commission during the most recently completed funding cycle or included in a bill introduced during either of the last two regular legislative sessions; or

(2) a capital construction project.

(d) Except as provided under section 116P.09, subdivision 6, paragraph (b), recommendations by the commission for an expenditure from the emerging issues account require an affirmative vote of at least 12 members of the commission. An expenditure from the emerging issues account must be approved by the governor after initiation and recommendation by the commission. The chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources must be notified of an expenditure sent to the governor for approval.

(e) A recipient of money from the emerging issues account must submit a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources detailing the expenditure of the money and outcomes achieved.

Sec. 5. Minnesota Statutes 2024, section 116P.09, subdivision 6, is amended to read:

Subd. 6. **Conflict of interest.** (a) A commission member, a technical advisory committee member, a peer reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review relating to an organization in which the member, peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission or technical advisory committee or as a peer reviewer or while an employee of the commission, a person must avoid any potential conflict of interest.

(b) A commission member may not vote on a motion regarding the purchase of land under section 116P.18 ~~or~~ the final recommendations of the commission required under section 116P.05, subdivision 2, paragraph (a); or the expenditure of money from the emerging issues account if the motion relates to an organization in which the member has a direct personal financial interest. If a commission member is prohibited from voting under this paragraph, the number of affirmative votes required under section 116P.05, subdivision 2, paragraph (a), or section 116P.18 is reduced by the number of members ineligible to vote under this paragraph.

Sec. 6. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to read:

Subd. 1a. **Grant awards; maximum amounts.** (a) A grant awarded under this section may not exceed:

(1) \$2,000,000, if the grant is for trail maintenance; or

(2) \$750,000, if the grant is for a purpose other than trail maintenance.

(b) The commissioner must award grants under this section in each fiscal year for more than one purpose under subdivision 1, paragraph (b).

Sec. 7. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to read:

Subd. 3a. **Staff training requirements.** All Department of Natural Resources staff who are assigned grants management responsibilities for grants awarded under this section must complete annual training on financial reconciliation and fraud prevention in addition to the training required under section 16B.98, subdivision 6a.

Sec. 8. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to read:

Subd. 3b. **Grants monitoring.** The commissioner must conduct at least one in-person unannounced monitoring visit before final payment is made on all grants awarded under this section that are for an amount of \$50,000 or more. For grant amounts under \$50,000, the commissioner must randomly select a sample from the grants awarded each year and conduct at least one unannounced monitoring visit on the selected grants before final payment is made.

Sec. 9. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to read:

Subd. 3c. **Small grant administration requirements.** (a) The commissioner must conduct a preaward risk assessment under section 16B.981 for a grant awarded under this section that is for an amount less than \$50,000.

(b) The commissioner must conduct a financial reconciliation of grantees' expenditures on a random sample of grants under \$50,000 before final payments are made.

Sec. 10. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to read:

Subd. 4a. **Advance payment.** (a) Except as provided under paragraph (b), a grant awarded under this section must be administered on a reimbursement basis.

(b) The commissioner may provide an advance payment to a recipient of a grant administered under this section if:

(1) the recipient has obtained a surety bond in an amount and in a form approved by the commissioner; or

(2) a fiscal agent has been designated and approved by the commissioner under paragraph (c).

(c) The commissioner may designate and approve a fiscal agent for purposes of this subdivision if the fiscal agent is subject to the requirements under sections 16B.97 to 16B.991.

Sec. 11. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to read:

Subd. 5a. **Grant recipient reporting.** A recipient of a grant awarded under this section must submit a quarterly written progress report on the grant to the commissioner in a form and manner approved by the commissioner until all grant funds have been expended and all of the terms in the grant contract agreement have been met.

Sec. 12. **ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANT PROGRAM APPROPRIATION.**

(a) \$28,180,000 in fiscal year 2027 is appropriated from the environment and natural resources trust fund to the commissioner of natural resources for grants under Minnesota Statutes, section 116X.03, allocated as required under Minnesota Statutes, section 116X.03, subdivision 1.

(b) This is a onetime appropriation. Minnesota Statutes, chapter 116P, does not apply to this appropriation or to projects funded with this appropriation. This appropriation is available until June 30, 2030."

Amend the title as follows:

Page 1, line 3, delete the period and insert "; modifying provisions on expenditures from environment and natural resources trust fund; modifying requirements for community grants program;";

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.

Baker and Pinto from the Committee on Workforce, Labor, and Economic Development Finance and Policy to which was referred:

H. F. No. 3732, A bill for an act relating to economic development; repealing different unfunded programs of the Department of Employment and Economic Development; making conforming changes; amending Minnesota Statutes 2024, sections 116J.575, subdivision 1a; 116J.8731, subdivision 4; 446A.07, subdivision 9; Minnesota Statutes 2025 Supplement, section 446A.07, subdivision 8; repealing Minnesota Statutes 2024, sections 116J.437; 116J.438; 116J.617, subdivisions 1, 2, 3, 4; 116J.658; 116J.872; Minnesota Rules, part 3300.0500, subparts 1, 2a, 3, 4, 5, 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2024, section 116J.435, is amended by adding a subdivision to read:

Subd. 8. **Development restrictions expiration.** If, within ten years from the date of the grant award under this section, the eligible project for which the public infrastructure was intended has not been developed, the public infrastructure may thereafter be used to support any other lawful project. The city or county must notify the commissioner of the alternative project.

Sec. 2. 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, which may include support services that assist targeted youth with entering and completing that education or training. 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, or other shelters;
- (3) transitional housing and tiny houses;
- (4) youth or senior citizen centers;
- (5) community health centers; and
- (6) community garden facilities.

(c) Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Sec. 3. Minnesota Statutes 2024, section 116L.364, subdivision 1, is amended to read:

Subdivision 1. **Program purpose.** The grants awarded under section 116L.362 are for a youth employment and training program directed at targeted youth who are likely to be at risk of not completing their high school education. Each program must include education, work experience, job skills, and leadership training and peer support components and may include support services that assist targeted youth with entering and completing their education and training. Each participant must be offered counseling and other services to identify and overcome problems that might interfere with successfully completing the program.

Sec. 4. Minnesota Statutes 2024, section 116L.561, subdivision 6, is amended to read:

Subd. 6. **Allowable cost categories.** Of the total allocation, up to 15 percent may be used for administrative purposes and the remainder may be used for a combination of training and participant support activities, which may include support services that assist youth with entering and completing their training.

Sec. 5. Minnesota Statutes 2025 Supplement, section 116L.562, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner shall award grants to eligible organizations for the purpose of providing workforce development and training opportunities or preemployment services and mentorship opportunities to economically disadvantaged or at-risk youth ages 14 to 24, which may include support services that assist youth with entering and completing such training and services.

Sec. 6. Minnesota Statutes 2024, section 116L.665, is amended by adding a subdivision to read:

Subd. 9. **Report to legislature.** (a) The board must convene a subcommittee of its members, plus four members specially appointed by the governor, to review applications from nonprofit organizations and recommend to the legislature which applicants should receive appropriations from the workforce development fund. The subcommittee must consist of:

(1) four members who are legislators;

(2) three members who represent businesses;

(3) two members who represent labor organizations;

(4) one worker representative who is not a representative of a labor organization, appointed by the governor; and

(5) three members, appointed by the governor, who represent community organizations and have experience with workforce development, including lived experience.

(b) The subcommittee must, in alignment with Minnesota's current Workforce Innovation and Opportunity Act combined state plan, identify workforce needs that are not likely to be met by market forces.

(c) The subcommittee must conduct outreach to make nonprofit organizations that provide workforce development services aware of the opportunity to apply to receive the board's recommendation for a legislative appropriation.

(d) In reviewing applications, the subcommittee must consider, at a minimum:

(1) the applicant's ability to meet the requirements of chapter 16B;

(2) the applicant's ability to meet workforce development needs identified in paragraph (b);

(3) past state funding received by the applicant;

(4) the applicant's number of employees and executive compensation details;

(5) the applicant's past record of success at providing workforce development services; and

(6) the proposal's eligibility for existing competitive grant programs.

(e) After conducting this review, the subcommittee must submit a report to the board that contains recommendations to the legislature for which applicants should receive appropriations from the workforce development fund, along with the recommended amount and purpose of each appropriation. These recommendations should be grouped by the type of workforce development services that would be funded. The total amount of appropriations recommended may not exceed \$10,000,000.

(f) The board must consider the subcommittee's report under paragraph (d) and vote to either approve the report or return it to the subcommittee for further consideration.

(g) By February 1 of every odd-numbered year, beginning in February 1, 2027, the board must submit an approved version of the report under paragraph (d) to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce development.

Sec. 7. Minnesota Statutes 2025 Supplement, section 116L.90, subdivision 3, is amended to read:

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for ~~both~~:

(1) developing a training program relevant to the legal cannabis industry ~~and for~~;

(2) providing such training to individuals; ~~and~~

(3) support services for individuals enrolled in such training.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to train individuals for successful careers in the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed training;

(2) an analysis of the degree of demand in the legal cannabis industry for the skills gained through the proposed training;

(3) any evidence of the organization's past success in training individuals for successful careers, particularly in new or emerging industries;

(4) an estimate of the cost of providing the proposed training;

(5) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to participate in the training; and

(6) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

(1) result in an industry-relevant credential; or

(2) include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Sec. 8. **[116L.92] HEALTH CARE WORKFORCE GRANT PROGRAM.**

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Eligible applicant" means a unit of local government, a nonprofit organization, or an educational institution.

(d) "Health care workforce grant program" or "program" means the competitive grant program created in this section.

Subd. 2. **Establishment.** The commissioner must establish a competitive grant program to address workforce shortages in the health care sector that are unlikely to be solved by normal market forces.

Subd. 3. **Grant process.** (a) The commissioner must award grants to eligible applicants through a competitive grant process using forms designed by the commissioner.

(b) All reporting requirements for grant recipients must be outlined in plain language in both the request for proposal and the grant contract.

(c) The commissioner must provide applicants with technical assistance with understanding application procedures and program guidelines, so that the program is accessible to even very small organizations without prior state grant experience.

(d) The commissioner must make efforts to ensure that grants are awarded in a manner that achieves geographic diversity, demographic diversity, and access for organizations that have not previously received state grants.

Subd. 4. **Award criteria.** The commissioner must develop criteria for evaluating applications and awarding grants. The commissioner's scoring criteria must evaluate each application's potential for successfully addressing workforce shortages in the health care sector that are unlikely to be solved by normal market forces.

Subd. 5. **Performance metrics.** The commissioner must establish performance metrics for grants that capture the effect of grant funds on workforce shortages in the health care sector.

Subd. 6. **Reporting.** By January 15 of every year that follows a year when the program received state funding, beginning in 2028, the commissioner must submit a report to the chairs and minority leads of the legislative committees with jurisdiction over workforce development on program outcomes and the performance metrics under subdivision 5 of individual grant projects.

Sec. 9. Minnesota Statutes 2025 Supplement, section 116L.98, subdivision 3, is amended to read:

Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December 31 each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for the previous two fiscal or calendar ~~year~~ years, for each program subject to the requirements of subdivision 1:

- (1) the total number of participants enrolled;
 - (2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;
 - (3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;
 - (4) the total number of participants enrolled in training;
 - (5) the total number of participants enrolled in training by occupational group;
 - (6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;
 - (7) the total number of exited participants who completed training;
 - (8) the total number of exited participants who attained a credential;
 - (9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;
 - (10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;
 - (11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry;
 - (12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit;
 - (13) the total cost of the program;
 - (14) the total cost of the program per participant;
 - (15) the cost per credential received by a participant; and
 - (16) the administrative cost of the program.
- (b) In addition to meeting any reporting requirements included in the grant agreement, each program grant recipient and any individually specified grantee named in an appropriation to be administered by or through the commissioner is subject to this section and must provide the following information to the commissioner:
- (1) a summary of the purpose of the grant;
 - (2) the amount of the grant awarded to the grantee;
 - (3) the amount of previous grants issued by or through the commissioner of employment and economic development to the grantee for the previous four years;

(4) to the extent that participant geographic data is available, if a grantee uses grant money to provide services to persons who reside outside of Minnesota, the grantee must list the states where non-Minnesotan participants reside and an explanation of why grant money was used to provide services to non-Minnesota residents; and

(5) the organization's charitable giving ratio if available on the grantee's Internal Revenue Service Form 990.

The commissioner must provide the information required in this paragraph for each grantee separately in the report required under paragraph (a). A grantee must provide updated information required to complete the report under paragraph (a) to the commissioner ~~annually~~ by the October 1 immediately preceding the due date of the commissioner's report, until October 1 in the year when all of the grant funds have been spent or canceled.

(c) The report to the legislature must contain participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not.

(d) The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

(e) As a condition of receiving a grant from the department, a grantee must agree to provide the commissioner any information necessary to complete the report required by this section.

Sec. 10. **[116L.981] PATHWAYS TO PROSPERITY PROGRAM.**

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

(b) "Barriers to employment" means life circumstances that make finding and maintaining employment more difficult. This includes but is not limited to:

- (1) being economically disadvantaged;
 - (2) being from a low-income community;
 - (3) having limited English proficiency;
 - (4) involvement with the justice system;
 - (5) having a disability;
 - (6) having a substance use disorder;
 - (7) receiving public assistance;
 - (8) being homeless, having a history of homelessness, or being housing insecure;
 - (9) being the single parent of a minor child; or
 - (10) having a basic skills deficiency.
- (c) "Commissioner" means the commissioner of employment and economic development.
- (d) "Pathways to prosperity program" or "program" means the competitive grant program created in this section.

Subd. 2. **Establishment.** The pathways to prosperity program is established to assist adults facing barriers to employment with preparing for and finding employment that can lead to a family-sustaining career. The commissioner must award competitive grants to eligible organizations to accomplish this purpose.

Subd. 3. **Eligible services.** To be eligible for a pathways to prosperity grant, an applicant must propose a plan to provide one or more of the following services:

(1) individualized counseling to achieve personalized education and career goals;

(2) education, training, and other services, including English language learning, adult basic education, and GED preparation, tailored to the individual student in a manner that lowers barriers to completion and accelerates career advancement to the greatest extent practicable;

(3) training that results in a relevant academic award, certificate, or industry-recognized credential that helps the individual enter or advance in a specific occupation or occupational cluster;

(4) targeted placement and job search assistance; or

(5) wraparound support services to assist individuals with entering and completing a training program, including, but not limited to, assistance with housing, transportation, child care, adult basic education, and English as a second language services.

Subd. 4. **Award criteria.** The commissioner must develop criteria for evaluating applications and awarding grants. The commissioner's scoring criteria must evaluate each application's potential for successfully:

(1) providing one or more services listed under subdivision 3;

(2) working with populations facing significant barriers to employment;

(3) preparing participants for long-term employment opportunities with family-sustaining wages;

(4) aligning with the demands of the labor market of the community where the organization operates;

(5) leveraging nonstate funds in any amount, either in cash or in-kind; and

(6) either continuing a history of achieving positive outcomes or pursuing a novel but evidence-informed approach for achieving positive outcomes.

Subd. 5. **Grant process.** (a) The commissioner must award grants to applicants through a competitive grant process using forms designed by the commissioner.

(b) All reporting requirements for grant recipients must be outlined in plain language in both the request for proposal and the grant contract.

(c) The commissioner must provide applicants with technical assistance with understanding application procedures and program guidelines, so that the program is accessible to even very small organizations without prior state grant experience.

(d) The commissioner must make efforts to ensure that grants are awarded in a manner that achieves geographic diversity, demographic diversity, and access for organizations that have not previously received state workforce development grants.

Subd. 6. **Performance metrics.** Reporting and performance outcomes for the program must comply with the requirements under section 116L.98.

Sec. 11. Minnesota Statutes 2024, section 116L.99, subdivision 3, is amended to read:

Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

(1) recruitment, preparation, placement, and retention of women, including women of color, low-income women and women over 50 years old, in registered apprenticeships, postsecondary education programs, on-the-job training, and permanent employment in high-wage, high-demand, nontraditional occupations;

(2) secondary or postsecondary education or other training to prepare women to succeed in high-wage, high-demand, nontraditional occupations. Activities under this clause may be conducted by the grantee or in collaboration with another institution, including but not limited to a public or private secondary or postsecondary school;

(3) innovative, hands-on, best practices that stimulate interest in high-wage, high-demand, nontraditional occupations among girls, increase awareness among girls about opportunities in high-wage, high-demand, nontraditional occupations, or increase access to secondary programming leading to jobs in high-wage, high-demand, nontraditional occupations. Best practices include but are not limited to mentoring, internships, or apprenticeships for girls in high-wage, high-demand, nontraditional occupations;

(4) training and other staff development for job seeker counselors and Minnesota family investment program (MFIP) caseworkers on opportunities in high-wage, high-demand, nontraditional occupations;

(5) incentives for employers and sponsors of registered apprenticeship programs to retain women in high-wage, high-demand, nontraditional occupations for more than one year;

(6) training and technical assistance for employers to create a safe and healthy workplace environment designed to retain and advance women, including best practices for addressing sexual harassment, and to overcome gender inequity among employers and registered apprenticeship programs;

(7) public education and outreach activities to overcome stereotypes about women in high-wage, high-demand, nontraditional occupations, including the development of educational and marketing materials;

(8) ~~services to support~~ services for women in high-wage, high-demand, nontraditional occupations, or training for such occupations, including but not limited to assistance with balancing work responsibilities; skills training and education; family caregiving; financial assistance for child care, transportation, and safe and stable housing; workplace issues resolution; and access to advocacy assistance and services; and

(9) recruitment, participation, and support of girls of color in approved training programs or a valid apprenticeship program subject to section 181A.07, subdivision 7.

(b) Grant applications must include detailed information about how the applicant plans to:

(1) increase women's participation in high-wage, high-demand occupations in which women are currently underrepresented in the workforce;

(2) comply with the requirements under subdivision 3;

(3) use grant funds in conjunction with funding from other public or private sources; and

(4) collaborate with existing, successful programs for training, education, recruitment, preparation, placement, and retention of women of color in high-wage, high-demand, nontraditional occupations and STEM occupations.

(c) In awarding grants under this subdivision, the commissioner shall give priority to eligible organizations:

(1) with demonstrated success in recruiting and preparing women, especially low-income women, women of color, and women over 50 years old, for high-wage, high-demand, nontraditional occupations; and

(2) that leverage additional public and private resources.

(d) At least 50 percent of total grant funds must be awarded to programs providing services and activities targeted to low-income women and women of color.

(e) The commissioner of employment and economic development in conjunction with the commissioner of labor and industry shall monitor the use of funds under this section, collect and compile information on the activities of other state agencies and public or private entities that have purposes similar to those under this section, and identify other public and private funding available for these purposes.

(f) By January 15, 2019, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that details the use of grant funds. If data is available, the report must contain data that is disaggregated by race, cultural groups, family income, age, geographical location, migrant or foreign immigrant status, primary language, whether the participant is an English learner under section 124D.59, disability, and status of homelessness.

Sec. 12. **IRON ORE MINING ADDITIONAL UNEMPLOYMENT BENEFITS PROGRAM.**

Subdivision 1. Availability of additional benefits. Additional unemployment benefits are available from the Minnesota unemployment insurance trust fund to an applicant who was laid off due to lack of work on or after November 1, 2025, and before March 15, 2026, from:

(1) an employer in the iron ore mining industry that laid off 40 percent or more of the employer's workforce on or after March 15, 2025, and before June 16, 2025; or

(2) an employer that is in the explosive manufacturing industry and providing goods or services to an employer in the iron ore mining industry, if the applicant was laid off due to the cessation or substantial reduction in operations of an employer in the iron ore mining industry as described in clause (1).

Subd. 2. Eligibility requirements. An applicant is eligible to receive additional unemployment benefits under this section for any week through the week ending March 20, 2027, if:

(1) the applicant established a benefit account under Minnesota Statutes, section 268.07, with 50 percent or greater of the wage credits from an employer as described in subdivision 1, and has exhausted the maximum amount of regular unemployment benefits available on that benefit account; and

(2) the applicant meets the same requirements that an applicant for regular unemployment benefits must meet under Minnesota Statutes, section 268.069, subdivision 1.

Subd. 3. Weekly and maximum amount of additional unemployment benefits. (a) The weekly benefit amount of additional unemployment benefits is the same as the weekly benefit amount of regular unemployment benefits on the benefit account established in subdivision 2, clause (1).

(b) The maximum amount of additional unemployment benefits available to an applicant under this section is an amount equal to 26 weeks of payment at the applicant's weekly additional unemployment benefit amount.

(c) If an applicant qualifies for a new regular benefit account that meets the requirements of subdivision 4, paragraph (b), before the applicant has been paid additional unemployment benefits, and the new regular benefit account meets the requirements of subdivision 2, clause (1), the applicant's weekly additional unemployment benefit amount is equal to the weekly unemployment benefit amount on the applicant's new regular benefit account.

Subd. 4. **Qualifying for a new regular benefit account.** (a) If, after exhausting the maximum amount of regular unemployment benefits available as a result of the layoff under subdivision 1, an applicant qualifies for the new regular benefit account under Minnesota Statutes, section 268.07, the applicant must apply for and establish the new regular benefit account.

(b) If the applicant's weekly benefit amount under the new regular benefit account is equal to or higher than the applicant's weekly additional unemployment benefit amount, the applicant must request unemployment benefits under the new regular benefit account. An applicant is ineligible for additional unemployment benefits under this section until the applicant has exhausted the maximum amount of unemployment benefits available on the new regular benefit account.

(c) If the applicant's weekly unemployment benefit amount on the new regular benefit account is less than the applicant's weekly benefit amount of additional unemployment benefits, the applicant must request additional unemployment benefits. An applicant is ineligible for new regular unemployment benefits until the applicant has exhausted the maximum amount of additional unemployment benefits available under this section.

Subd. 5. **Eligibility for federal Trade Readjustment Allowance benefits.** An applicant who has applied and been determined eligible for federal Trade Readjustment Allowance benefits is not eligible for additional unemployment benefits under this section.

EFFECTIVE DATE. This section is effective retroactively from November 1, 2025.

Sec. 13. **EXTENDED EMPLOYMENT.**

(a) Beginning July 1, 2026, through June 30, 2028, the commissioner of employment and economic development must waive enforcement of Minnesota Rules, part 3300.6005, subpart 1, item B, for a program participant when:

(1) no provider licensed under Minnesota Statutes, chapter 245D, that offers employment supports is available to serve the participant; or

(2) waitlists of existing providers licensed under Minnesota Statutes, chapter 245D, result in the inability to access services and the delay could reasonably result in disruption of services for the participant, potentially jeopardizing the participant's ability to maintain employment.

Nonwaivered participants must be prioritized without being waitlisted for the extended employment program.

(b) To qualify for a waiver under paragraph (a), the program provider must submit a form, developed by the commissioner, in consultation with the commissioner of human services and providers, that:

(1) demonstrates or attests to the participant's qualifying circumstances under paragraph (a); and

(2) documents that the individual is receiving separate services from the waiver program and the extended employment program and that no services are billed or reimbursed by more than one program.

EFFECTIVE DATE. This section is effective the day following final enactment and expires July 1, 2028.

Sec. 14. **RURAL CANCER INSTITUTE PILOT PROGRAM APPROPRIATION MODIFICATION.**

(a) The appropriation for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), must prioritize Minnesota clinicians and students. The Rural Cancer Institute may work with clinicians and students from elsewhere in the United States if the clinician or student receives the recommendation of a practicing Minnesota oncologist and all care is provided in Minnesota.

(b) The appropriations in fiscal years 2026 and 2027 for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), are available until June 30, 2028.

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

Sec. 15. **OFFICE OF COMMUNITY INVESTMENT; APPROPRIATION.**

\$400,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of employment and economic development for the establishment and operation of a centralized Office of Community Investment overseen by a director appointed by the commissioner. The director is responsible for overseeing all grant processes at the Department of Employment and Economic Development, including engaging with stakeholders in the legislature, executive branch, and wider community to develop a strategic direction for grant-making, coordinating across the agency on orienting program design around achieving specific goals with documentable outcomes, ensuring compliance with all state and federal grant requirements, streamlining operations, increasing the accessibility and transparency of grant-making, maintaining best practices, and tracking grant outcomes.

Sec. 16. **APPROPRIATION.**

\$401,000 in fiscal year 2027 is appropriated from the workforce development fund to the commissioner of employment and economic development for the subcommittee and report required under Minnesota Statutes, section 116L.665, subdivision 9.

ARTICLE 2
DEPARTMENT OF LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2024, section 326B.107, subdivision 2, is amended to read:

Subd. 2. **Municipal agreement for all building projects.** (a) The commissioner shall enter into an agreement with a municipality other than the state for plan review, inspection, code administration, and code enforcement on public buildings and state-licensed facilities in the jurisdiction if the municipality requests to provide those services and the commissioner determines that the municipality has enough adequately trained and qualified ~~inspectors~~ persons to provide those services. In determining whether a municipality has enough adequately trained and qualified ~~inspectors~~ persons to provide the service, the commissioner must consider all ~~inspectors~~ code enforcement staff who are employed by the municipality, are under contract with the municipality to provide ~~inspection~~ code enforcement services, or are obligated to provide ~~inspection~~ code enforcement services to the municipality under any other lawful agreement.

(b) The criteria used to make this determination shall be provided in writing to the municipality requesting an agreement.

(c) If the commissioner determines that the municipality lacks enough adequately trained and qualified ~~inspectors~~ persons to provide the required services, a written explanation of the deficiencies shall be provided to the municipality.

(d) The municipality shall be given an opportunity to remedy any deficiencies and request reconsideration of the commissioner's determination. A request for reconsideration must be in writing and accompanied by substantiating documentation. A request for reconsideration must be received by the commissioner within 90 days of the determination explanation. The commissioner shall review the information and issue a final determination to the municipality within 30 days of the request.

(e) A municipality aggrieved by a final decision of the commissioner to not enter into an agreement may appeal to be heard as a contested case in accordance with chapter 14.

Sec. 2. Minnesota Statutes 2024, section 326B.32, subdivision 2, is amended to read:

Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power to:

- (1) elect its chair, vice-chair, and secretary;
- (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and containing other provisions as may be useful and necessary for the efficient conduct of the business of the board;
- (3) adopt the Minnesota Electrical Code, which must be the most current edition of the National Electrical Code and any amendments thereto. The board shall adopt the most current edition of the National Electrical Code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b) and (c);
- (4) review requests for final interpretations and issue final interpretations as provided in section 326B.127, subdivision 5;
- (5) adopt rules that regulate the licensure or registration of electrical businesses, electrical contractors, master electricians, journeyworker electricians, ~~Class A installer~~, Class B installer, power limited technicians, and other persons who perform electrical work except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (d) and (e);
- (6) adopt rules that regulate continuing education for individuals licensed or registered as electrical businesses, electrical contractors, master electricians, journeyworker electricians, ~~Class A installer~~, Class B installer, power limited technicians, and other persons who perform electrical work. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (d) and (e);
- (7) advise the commissioner regarding educational requirements for electrical inspectors;
- (8) refer complaints or other communications to the commissioner, whether oral or in writing, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, registration, or an offering to perform or performance of unlicensed electrical services;
- (9) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;
- (10) approve license reciprocity agreements;
- (11) select from its members individuals to serve on any other state advisory council, board, or committee; and
- (12) recommend the fees for licenses and certifications.

Except for the powers granted to the Plumbing Board, Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by all of the other boards created pursuant to this chapter. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 3. Minnesota Statutes 2024, section 326B.33, subdivision 4, is amended to read:

Subd. 4. **Class B installer.** Notwithstanding the provisions of subdivisions 1, 2, and 14, any individual holding a Class B installer license may lay out and install electrical wiring, apparatus and equipment on center pivot irrigation booms on the load side of the main service on farmsteads, and install such other electrical equipment as is approved by the commissioner. As of December 1, 2027, no new Class B installer licenses shall be issued. An individual who holds a Class B installer license as of December 1, 2027, may retain and renew the license and exercise the privileges the license grants.

Sec. 4. Minnesota Statutes 2024, section 326B.33, subdivision 19, is amended to read:

Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor and satellite system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. All other personal licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

(b) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the registration of an unlicensed individual under subdivision 12 shall be considered an entry level license;

(2) the following licenses shall be considered journeyworker licenses: Class A journeyworker electrician, Class B journeyworker electrician, ~~Class A installer~~, Class B installer, lineman, maintenance electrician, satellite system installer, and power limited technician;

(3) the following licenses shall be considered master licenses: Class A master electrician and Class B master electrician; and

(4) the following licenses shall be considered business licenses: Class A electrical contractor, Class B electrical contractor, satellite system contractor, and technology systems contractor.

(c) For each filing of a certificate of responsible person by an employer, the fee is \$100.

Sec. 5. Minnesota Statutes 2024, section 326B.36, subdivision 3, is amended to read:

Subd. 3. **Licenses; bond.** All inspectors shall hold licenses as master or journeyworker electricians under this chapter. ~~All inspectors under contract with the department to provide electrical inspection services shall give bond in the amount of \$1,000, conditioned upon the faithful performance of their duties.~~

Sec. 6. Minnesota Statutes 2025 Supplement, section 326B.37, subdivision 5, is amended to read:

Subd. 5. **Inspection fee for dwelling.** (a) The inspection fee for a one-family dwelling and each dwelling unit of a two-family dwelling is the following:

- (1) the fee for each service or other source of power as provided in subdivision 3;
- (2) \$165 for up to 30 feeders and circuits; and
- (3) for each additional feeder or circuit, the fee as provided in subdivision 4.

This fee applies to each separate installation for new dwellings and where ~~15~~ 14 or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwellings. Where existing feeders and circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is \$2. The maximum number of separate inspections shall be determined in accordance with subdivision 2. The fee for additional inspections or other installations is that specified in subdivisions 2, 4, 6, and 8. The installer may submit fees for additional inspections when filing the request for electrical inspection. The fee for each detached accessory structure directly associated with a dwelling unit shall be calculated in accordance with subdivisions 3 and 4. When included on the same request for electrical inspection form, inspection fees for detached accessory structures directly associated with the dwelling unit may be combined with the dwelling unit fees to determine the maximum number of separate inspections in accordance with subdivision 2.

(b) The inspection fee for each dwelling unit of a multifamily dwelling with three or more dwelling units is \$110 for a combination of up to 20 feeders and circuits and \$12 for each additional feeder or circuit. This fee applies to each separate installation for each new dwelling unit and where ten or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwelling units. Where existing feeders or circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is \$2. The maximum number of separate inspections for each dwelling unit shall be determined in accordance with subdivision 2. The fee for additional inspections or for inspection of other installations is that specified in subdivisions 2, 4, 6, and 8. These fees include only inspection of the wiring within individual dwelling units and the final feeder to that unit where the multifamily dwelling is provided with common service equipment and each dwelling unit is supplied by a separate feeder or feeders extended from common service or distribution equipment. The fee for multifamily dwelling services or other power source supplies and all other circuits is that specified in subdivisions 2 to 4.

(c) A separate request for electrical inspection form must be filed for each dwelling unit that is supplied with an individual set of service entrance conductors. These fees are the one-family dwelling rate specified in paragraph (a).

Sec. 7. Minnesota Statutes 2025 Supplement, section 326B.37, subdivision 6, is amended to read:

Subd. 6. **Additions to fees of subdivisions 3 to 5.** (a) The fee for the electrical supply for each manufactured home park lot is \$35. This fee includes the service or feeder conductors up to and including the service equipment or disconnecting means. The fee for feeders and circuits that extend from the service or disconnecting means is that specified in subdivision 4.

(b) The fee for each recreational vehicle site electrical supply equipment is \$12 for each circuit originating within the equipment. The fee for recreational vehicle park services, feeders, and circuits is that specified in subdivisions 3 and 4.

(c) The fee for each street, parking lot, or outdoor area lighting standard and each traffic signal standard is \$5. Circuits originating within the standard or traffic signal controller shall not be used when calculating the fee for each standard.

(d) The fee for transformers for light, heat, and power is \$15 for transformers rated up to ten kilovolt-amperes and \$30 for transformers rated in excess of ten kilovolt-amperes. The previous sentence does not apply to Class 1 transformers or power supplies for Class 1 power-limited circuits or to Class 2 or Class 3 transformers or power supplies.

(e) The fee for transformers and electronic power supplies for electric signs and outline lighting is \$5 per unit.

(f) The fee for technology circuits or systems, and circuits of less than 50 volts, is 75 cents for each system device or apparatus.

(g) The fee for each separate inspection of the bonding for a swimming pool, spa, fountain, an equipotential plane for an agricultural confinement area, or similar installation is ~~\$35~~ \$55. Bonding conductors and connections require an inspection before being concealed.

(h) The fee for all wiring installed on center pivot irrigation booms is \$35 plus \$5 for each electrical drive unit.

(i) The fee for retrofit modifications to existing lighting fixtures is 25 cents per luminaire.

(j) When a separate inspection of a concrete-encased grounding electrode is performed, the fee is \$55.

(k) The fees required by subdivisions 3 and 4 are doubled for installations over 600 volts.

(l) The fee for a class 4 circuit or system transmitter, receiver, or utilization equipment is \$0.50 for each system device or apparatus.

Sec. 8. Minnesota Statutes 2024, section 326B.37, subdivision 7, is amended to read:

Subd. 7. **Investigation fee: work without electrical inspection request.** (a) Whenever any work for which a request for electrical inspection is required has begun without the request for electrical inspection form being filed with the commissioner, a special investigation shall be made before a request for electrical inspection form is accepted.

(b) An investigation fee, in addition to the full fee required by subdivisions 1 to 6 and 16 to 18, shall be paid before an inspection is made. The investigation fee is two times the minimum fee specified in subdivision 2 or the applicable inspection fee required by subdivisions 1 to 6 and 16 to 18, whichever is greater, not to exceed \$1,000. The payment of the investigation fee does not exempt any person from compliance with all other provisions of the department rules or statutes nor from any penalty prescribed by law.

Sec. 9. **REPEALER.**

(a) Minnesota Statutes 2024, section 326B.33, subdivision 5, is repealed effective December 1, 2027.

(b) Minnesota Statutes 2024, section 326B.33, subdivision 6, is repealed effective August 1, 2026.

(c) Minnesota Statutes 2024, sections 326B.31, subdivision 7; and 326B.33, subdivision 3, are repealed.

ARTICLE 3
EXPLORE MINNESOTA

Section 1. Minnesota Statutes 2024, section 116U.24, is amended to read:

116U.24 EXPLORE MINNESOTA COUNCILS.

(a) The director shall be advised by the Explore Minnesota Tourism Council and Explore Minnesota for Business Council, each consisting of voting members appointed by the governor for four-year terms. The director of Explore Minnesota serves as the chair ~~or co-chair~~ of each council. The director may assign employees of the office to participate in oversight of council operations.

(b) Each council shall act to serve the broader interests of the council's divisions by promoting activities and programs of the office that support, maintain, and expand the state's domestic and international travel and trade markets, thereby generating increased visitor expenditures, revenue, and employment.

(c) Filling of membership vacancies is as provided in section 15.059. The terms of one-half of the members shall be coterminous with the governor, and the terms of the remaining one-half of the members shall end on the first Monday in January one year after the terms of the other members. Members may serve until their successors are appointed and qualify. Members are not compensated. Members may only serve one four-year term. A member may not be reappointed.

(d) ~~The~~ Each council shall meet at least ~~four~~ two times per year and at other times determined by each council.

(e) If compliance with section 13D.02 is impractical, the Explore Minnesota councils may conduct a meeting of their members by telephone or other electronic means so long as the following conditions are met:

(1) all members of each council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of each council and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of each council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(f) Each member of each council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(g) If telephone or other electronic means is used to conduct a meeting, each council, to the extent practicable, shall allow a person to monitor the meeting electronically from a remote location. Each council may require the person making such a connection to pay for documented marginal costs that each council incurs as a result of the additional connection.

(h) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and whether a cost will be incurred under paragraph (f). The timing and method of providing notice is governed by section 13D.04.

Sec. 2. Minnesota Statutes 2024, section 116U.242, is amended to read:

116U.242 EXPLORE MINNESOTA FOR BUSINESS COUNCIL.

(a) The director shall be advised by the Explore Minnesota for Business Council consisting of up to 14 voting members appointed by the governor for four-year terms, including:

(1) the ~~executive~~ director of Explore Minnesota ~~and the commissioner of employment and economic development, who serve as cochairs~~ who serves as chair;

(2) three representatives in marketing, human resources, or executive leadership from Minnesota-based companies with more than 100 employees representing Minnesota's key industries, including health care, technology, food and agriculture, manufacturing, retail, energy, and support services;

(3) two representatives from statewide or regional marketing or business association leadership, the Iron Range, and nonprofits focused on economic development or human resource management;

(4) one representative from a Minnesota college or university staff, faculty, leadership, student leadership, or alumni association;

(5) one member representing Minnesota's small business or start-up and entrepreneurial industry who has started at least one Minnesota-based business in the last five years ~~and has at least 20 employees~~;

(6) ~~two representatives from one Ojibwe and one Dakota representative appointed by the Executive Board of the Minnesota Indian Affairs Council and Minnesota Tribal leadership, including casino management~~;

(7) ~~two representatives~~ one representative from Minnesota's Ethnic Chambers of Commerce Leadership ~~and the Minnesota Chamber of Commerce~~; and

(8) one ~~at large representative in the field of general marketing, talent attraction, or economic development~~ representative from the Minnesota Chamber of Commerce;

(9) one at-large representative in the field of general marketing, talent attraction, or economic development; and

(10) one representative from the Department of Employment and Economic Development who must be the commissioner, deputy commissioner, or an assistant commissioner.

(b) The council shall act to serve the broader interest of promoting overall livability and workforce and economic opportunity in Minnesota. Members shall advise Explore Minnesota for Business' marketing efforts by emphasizing and prioritizing diversity, equity, inclusion, and accessibility and providing professional marketing insights.

Sec. 3. Minnesota Statutes 2024, section 116U.25, is amended to read:

116U.25 EXPLORE MINNESOTA TOURISM COUNCIL.

(a) The director shall be advised by the Explore Minnesota Tourism Council consisting of up to ~~35~~ 25 voting members appointed by the governor for four-year terms, including:

(1) the director of Explore Minnesota Tourism who serves as the chair;

(2) ~~fourteen~~ four representatives of statewide tourism-related associations representing ~~bed and breakfast establishments, golf, festivals and events, counties, convention and visitor bureaus, lodging, resorts, trails, campgrounds, restaurants, craft beverage establishments, chambers of commerce, chambers of commerce for underrepresented communities, and Tribal nations;~~

(3) one representative from each of the five tourism marketing regions of the state as designated by the office;

(4) ~~ten~~ one Ojibwe and one Dakota representative;

(5) eight representatives of the tourism business representing transportation, retail, travel agencies, tour operators, travel media, convention facilities, arts and culture, sports, outdoor recreation, ~~and~~ or tourism business owners from underrepresented communities;

~~(5)~~ (6) one ~~or more~~ ex officio nonvoting ~~members including at least one~~ member from the University of Minnesota Tourism Center;

~~(6)~~ (7) four legislators, two from each house, one each from the two largest political party caucuses in each house, appointed according to the rules of the respective houses; and

~~(7)~~ (8) other persons, if any, as designated from time to time by the governor.

(b) The council shall act to serve the broader interests of tourism in Minnesota by promoting activities that support, maintain, and expand the state's domestic and international travel market, thereby generating increased visitor expenditures, tax revenue, and employment.

~~(c) Filling of membership vacancies is as provided in section 15.059. The terms of one half of the members shall be coterminous with the governor and the terms of the remaining one half of the members shall end on the first Monday in January one year after the terms of the other members. Members may serve until their successors are appointed and qualify. Members are not compensated. A member may be reappointed.~~

~~(d) The council shall meet at least four times per year and at other times determined by the council.~~

~~(e) If compliance with section 13D.02 is impractical, the Explore Minnesota Tourism Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:~~

~~(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;~~

~~(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;~~

~~(3) at least one member of the council is physically present at the regular meeting location; and~~

~~(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.~~

~~(f) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.~~

~~(g) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.~~

~~(h) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (g). The timing and method of providing notice is governed by section 13D.04.~~

ARTICLE 4
NORTHERN TECHNOLOGY INITIATIVE, INC.

Section 1. Minnesota Statutes 2024, section 116T.02, is amended to read:

116T.02 CORPORATION; MEMBERS; BOARD OF DIRECTORS; POWERS.

Subdivision 1. **Public corporation.** Northern Technology Initiative, Inc. is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "Northern Technology Initiative, Inc." or an assumed name that has been filed and published as required under chapter 333.

Subd. 2. **Purpose.** Northern Technology Initiative, Inc. is a regional economic initiative of Minnesota counties, townships, home rule charter or statutory cities within participating counties, economic development groups, state and federal agencies, public and private postsecondary institutions, and businesses. The project area includes, at a minimum, the counties of ~~Carlton~~, Chisago, Isanti, Kanabec, Mille Lacs, and Pine, but may be expanded as other contiguous counties elect to participate. The purpose of the corporation is to engage in an integrated, jointly planned economic development effort with a focus on encouraging growth among existing businesses and attracting ~~technology companies~~ new businesses to the region served by the corporation. A home rule charter city, statutory city, county, township, or other public entity participating in the initiative may budget public funds for the initiative.

Subd. 3. **Board of directors.** The corporation is governed by a board of directors ~~consisting of: the membership composition, membership terms, compensation, removal, and filling of vacancies of which are as provided by the bylaws adopted and amended in accordance with subdivision 4.~~

- ~~(1) a member of the governing body of each participating county, appointed by the governing body;~~
- ~~(2) a member of the governing body of each participating home rule charter or statutory city, appointed by the governing body;~~
- ~~(3) the president of each participating postsecondary institution;~~
- ~~(4) the commissioner of the Department of Employment and Economic Development or an employee of the department designated by the commissioner; and~~
- ~~(5) other members as may be provided by the bylaws adopted and amended in accordance with subdivision 4.~~

~~The membership terms, compensation, removal, and filling of vacancies of members of the board are governed by the bylaws of the corporation.~~

Subd. 4. **Bylaws.** The board of directors shall adopt bylaws and publish the bylaws and amendments to the bylaws in the State Register. The bylaws must provide for financial and other contributions by participating entities to cover the operation of the corporation.

Subd. 5. **Places of business.** The board shall locate and maintain the corporation's places of business within ~~Carlton~~, Chisago, Isanti, Kanabec, Mille Lacs, or Pine County.

Subd. 6. **Meetings and actions of board.** (a) The board must meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Except as provided in subdivision 7, board meetings are subject to chapter 13D.

(b) A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a board meeting if the number of directors participating in the conference is sufficient to constitute a quorum for the meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

Subd. 7. **Closed meetings; recording.** The board of directors may, by a majority vote in a public meeting, decide to hold a closed meeting for purposes of discussing data described in subdivision 8 or security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded. The data on the tape are nonpublic data or private data on individuals as defined in section 13.02, subdivision 9 or 12, whichever is applicable.

Subd. 8. **Application and investigative data.** Financial data, statistics, and information furnished to the corporation in connection with assistance or proposed assistance, including credit reports; financial statements; statements of net worth; income tax returns, either personal or corporate; and any other business and personal financial records, are private data with regard to data on individuals under section 13.02, subdivision 12, or nonpublic data with regard to data not on individuals under section 13.02, subdivision 9.

Subd. 9. **Conflict of interest.** A director, employee, or officer of the corporation may not participate in or vote on a decision of the board relating to an organization in which ~~the director~~ that director, employee, or officer has either a direct or indirect financial interest or a conflict of interest as described in section 10A.07.

Subd. 10. **Tort claims.** The corporation is a state agency for purposes of section 3.736, except the corporation, not the state, is responsible for paying for any tort liability.

Subd. 11. **Data practices and records management.** The corporation is subject to chapter 13 and sections 15.17 and 138.163 to 138.226.

Sec. 2. Minnesota Statutes 2024, section 116T.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The board shall ~~appoint and set the compensation for the executive director who serves as chief executive officer of the corporation. The compensation of the executive director may not exceed 85 percent of the governor's salary. The board may designate the executive director as its general agent. Subject to the approval of the board, the executive director shall~~ employ staff consultants and other agents necessary to carry out the mission of the corporation.

ARTICLE 5 REPEALING OBSOLETE PROGRAMS

Section 1. Minnesota Statutes 2024, section 116J.575, subdivision 1a, is amended to read:

Subd. 1a. **Priorities.** (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, bioscience development, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing,

multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

- (1) the need for redevelopment in conjunction with contamination remediation needs;
- (2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;
- (3) the redevelopment potential within the municipality;
- (4) proximity to public transit if located in the metropolitan area;
- (5) redevelopment costs related to expansion of a bioscience business in Minnesota; or
- (6) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact; ~~or~~
- ~~(7) the project advances or promotes the green economy as defined in section 116J.437.~~

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the redevelopment plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 50 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Sec. 2. Minnesota Statutes 2024, section 116J.8731, subdivision 4, is amended to read:

Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the following conditions:

- (1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;
- (2) increase in the tax base;
- (3) the project can demonstrate that investment of public dollars induces private funds;
- (4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;
- (5) the project provides higher wage levels to the community or will add value to current workforce skills;
- (6) the project supports the development of microenterprises, as defined by federal statutes, through financial assistance, technical assistance, advice, or business services;
- (7) whether assistance is necessary to retain existing business; and
- (8) whether assistance is necessary to attract out-of-state business; ~~and~~
- ~~(9) the project promotes or advances the green economy as defined in section 116J.437.~~

A grant or loan cannot be made based solely on a finding that the conditions in clause (7) or (8) exist. A finding must be made that a condition in clause (1), (2), (3), (4), (5), or (6) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 3. Minnesota Statutes 2025 Supplement, section 116L.05, subdivision 5, is amended to read:

Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the board may use workforce development funds for the purposes outlined in sections 116L.02 and 116L.04, ~~or to provide incumbent worker training services under section 116L.18~~ if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits, job vacancy data, county labor force participation rates, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and management and budget, and to the public.

Sec. 4. Minnesota Statutes 2024, section 116L.20, subdivision 2, is amended to read:

Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under this section shall be deposited in the state treasury and credited to the workforce development fund to provide for employment and training programs. The workforce development fund is created as a special account in the state treasury.

(b) All money in the fund not otherwise appropriated or transferred is appropriated to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in paragraph (d). The board must act as the fiscal agent for the money and must disburse that money for the purposes of section 116L.17, not allowing the money to be used for any other obligation of the state. All money in the workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(d) If the board determines that the conditions of section 116L.05, subdivision 5, have been met, the board may use funds for the purposes outlined in section 116L.04, ~~or to provide incumbent worker training services under section 116L.18.~~

Sec. 5. Minnesota Statutes 2025 Supplement, section 446A.07, subdivision 8, is amended to read:

Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works where debt was incurred and construction begun after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117, and 103F.725, subdivision 1a, ~~and 116J.617~~;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

(b) The clean water revolving fund may be used to provide additional subsidization as permitted under the Federal Water Pollution Control Act and other federal laws to provide principal forgiveness or grants:

(1) based on affordability criteria and requirements established for the water infrastructure funding program under section 446A.072;

(2) for 25 percent of project costs up to a maximum of \$1,000,000 for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities; and

(3) for 50 percent of project costs up to a maximum of \$3,000,000 for projects that address emerging contaminants as defined by the United States Environmental Protection Agency.

Sec. 6. Minnesota Statutes 2024, section 446A.07, subdivision 9, is amended to read:

Subd. 9. **Payments.** Payments from the fund must be made in accordance with the applicable state and federal law governing the payments, except that for projects other than those funded under section 17.117, 103F.725, subdivision 1a, ~~116J.617~~, or 462A.05, no payment for a project may be made to an eligible recipient until and unless the authority has determined the total estimated cost of the project and ascertained that financing of the project is assured by:

(1) a loan authorized by state law or the appropriation of proceeds of bonds or other money of the governmental unit to a fund for the construction of the project; and

(2) an irrevocable undertaking, by resolution of the eligible recipient of the governmental unit, to use all money made available for the project exclusively for the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction fund of additional money or the proceeds of additional bonds to be issued by the eligible recipient.

Sec. 7. **CANCELLATION.**

The amount that remains in the account established under Minnesota Statutes, section 116J.876, subdivision 4, is canceled to the general fund.

Sec. 8. **REPEALER.**

Subdivision 1. **Capital access program.** Minnesota Statutes 2024, sections 116J.876; 116J.8761; 116J.8762; 116J.8763; 116J.8764; 116J.8765; 116J.8766; 116J.8767; 116J.8768; 116J.8769; 116J.8770; and 116J.8771, are repealed.

Subd. 2. **Rural job creation grants.** Minnesota Statutes 2024, section 469.309, is repealed.

Subd. 3. **Tourism loan program.** Minnesota Statutes 2024, section 116J.617, subdivisions 1, 2, 3, and 4, are repealed.

Subd. 4. **Minnesota green enterprise assistance.** Minnesota Statutes 2024, sections 116J.437; and 116J.438, are repealed.

Subd. 5. **Special incumbent worker training grants.** Minnesota Statutes 2024, section 116L.18, is repealed.

Subd. 6. **Central Minnesota opportunity grant program.** Minnesota Statutes 2024, section 116J.9922, is repealed.

Subd. 7. **Economic response team.** Minnesota Statutes 2024, section 116J.872, is repealed.

Subd. 8. **Microenterprise entrepreneurial assistance.** Minnesota Statutes 2024, section 116J.8745, is repealed.

Subd. 9. **Minnesota science and technology economic development project.** Minnesota Statutes 2024, section 116J.658, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for the Department of Employment and Economic Development; modifying economic development and workforce development policy; making labor and industry policy changes; canceling and modifying prior appropriations; modifying fees; requiring reports; amending Minnesota Statutes 2024, sections 116J.435, by adding a subdivision; 116J.575, subdivision 1a; 116J.8731, subdivision 4; 116L.20, subdivision 2; 116L.362, subdivision 1; 116L.364, subdivision 1; 116L.561, subdivision 6; 116L.665, by adding a subdivision; 116L.99, subdivision 3; 116T.02; 116T.03, subdivision 1; 116U.24; 116U.242; 116U.25; 326B.107, subdivision 2; 326B.32, subdivision 2; 326B.33, subdivisions 4, 19; 326B.36, subdivision 3; 326B.37, subdivision 7; 446A.07, subdivision 9; Minnesota Statutes 2025 Supplement, sections 116L.05, subdivision 5; 116L.562, subdivision 1; 116L.90, subdivision 3; 116L.98, subdivision 3; 326B.37, subdivisions 5, 6; 446A.07, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 2024, sections 116J.437; 116J.438; 116J.617, subdivisions 1, 2, 3, 4; 116J.658; 116J.872; 116J.8745; 116J.876; 116J.8761; 116J.8762; 116J.8763; 116J.8764; 116J.8765; 116J.8766; 116J.8767; 116J.8768; 116J.8769; 116J.8770; 116J.8771; 116J.9922; 116L.18; 326B.31, subdivision 7; 326B.33, subdivisions 3, 5, 6; 469.309."

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

The report was adopted.

Long and Niska from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3900, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 8; modifying the investment, management, and distribution policy for the permanent school fund; amending Minnesota Statutes 2024, sections 11A.16, subdivisions 5, 6; 127A.32.

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. 4074, A bill for an act relating to retirement; making administrative changes to statutes governing the retirement plans administered by the Minnesota State Retirement System; clarifying that correctional employees remain in the correctional employees retirement plan while working for a labor organization; making conforming changes to retirement annuity application procedures; modifying enrollment procedures in the state fire marshals subplan; clarifying that the correctional plan membership committee is not subject to the open meeting law and agency appointment and registration requirements; allowing current deputy fire marshals to elect coverage by the state fire marshals subplan; amending Minnesota Statutes 2024, sections 352.021, subdivision 2; 352.029, subdivisions 1, 2, 2a; 352.115, subdivisions 7a, 8, 9; 352.87, subdivisions 1, 2; Minnesota Statutes 2025 Supplement, sections 352.029, subdivision 3; 352.905, by adding a subdivision; 352.907, by adding a subdivision; repealing Minnesota Statutes 2024, section 352.87, subdivision 8.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 2025 Supplement, section 11A.04, is amended to read:

11A.04 DUTIES AND POWERS; APPROPRIATION.

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 if state assets are involved and in accordance with chapter 356A if pension assets are involved.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the state board must allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the state board are not subject to the Administrative Procedure Act.

(3) Employ an executive director as provided in section 11A.07.

(4) ~~Employ~~ Retain investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the state board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to section 15.059 to assist the state board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the commissioner of management and budget to sell property other than money that has escheated to the state when the state board determines that sale of the property is in the best interest of the state. Escheated property must be sold to the highest bidder in the manner and upon terms and conditions prescribed by the state board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. Public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the Constitution of the state of Minnesota, ~~employ~~ retain, at its discretion, qualified ~~private~~ external firms to invest ~~and, manage, or provide services with respect to~~ the assets of funds over which the state board has investment management responsibility. ~~There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs of employing private firms. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment~~ The state board must include in the report required under section 11A.07, subdivision 4, clause (8), the management fees paid under this clause and the performance of each investment manager employed retained by the state board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

(14) Adopt a compensation plan setting the terms and conditions of employment for unclassified employees of the state board pursuant to section 43A.18, subdivision 3b.

(15) Contract, as necessary, with the board of trustees of the Minnesota State Colleges and Universities System for the provision of investment review and selection services under section 354B.25, subdivision 3, and arrange for the receipt of payment for those services.

There is annually appropriated to the state board, from the assets of the funds for which the state board provides investment services, sums sufficient to pay the ~~costs of all necessary expenses for the administration of the state board, including any fees or expenses charged by advisors, consultants, or external firms.~~ These sums will be deposited in the State Board of Investment operating account, which must be established by the commissioner of management and budget in the special revenue fund.

Sec. 2. Minnesota Statutes 2025 Supplement, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The executive director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the state board and with the approval of the state board submit the budgets to the Department of Management and Budget;

(3) employ professional and clerical staff as necessary;

(4) report to the state board on all operations under the executive director's control and supervision;

(5) maintain accurate and complete records of securities transactions and official activities;

(6) establish a policy, which is subject to state board approval, relating to the purchase and sale of securities on the basis of competitive offerings or bids;

(7) cause securities acquired to be kept in the custody of the commissioner of management and budget or other depositories consistent with chapter 356A, as the state board deems appropriate;

(8) prepare and file with the director of the Legislative Reference Library a report summarizing the activities of the state board, the council, and the executive director during the preceding fiscal year;

(9) include on the state board's website its annual report and an executive summary of its quarterly reports;

(10) require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of its investment activities;

(11) with respect to any fund for which the state board provides investment services, modify the billing procedure or apportionment of expenses under subdivision 5 to the extent the executive director determines is appropriate or necessary, with any such modification consistent with the applicable duties in this chapter and section 356A.04;

~~(11)~~ (12) receive and expend legislative appropriations; and

~~(12)~~ (13) undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with chapter 356A.

Sec. 3. Minnesota Statutes 2024, section 11A.07, subdivision 5, is amended to read:

Subd. 5. **Apportionment of expenses.** (a) The annual expenses incurred by the State Board of Investment will state board, including any fees or expenses charged by advisors, consultants, or external firms, must be apportioned among the state general fund, the retirement funds administered by the Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association, and all other funds as follows: for which the state board provides investment services, in accordance with this subdivision. There is annually appropriated to the state board, from the assets of all funds for which the state board provides investment services, sums sufficient to pay the apportioned expenses. These sums must be deposited in the State Board of Investment operating account, which must be established by the commissioner of management and budget in the special revenue fund. The sums must be apportioned as follows:

~~(1) on a biennial basis, the State Board of Investment, in accordance with biennial budget procedures established by the commissioner of management and budget, may request a direct appropriation that represents the portion of the State Board of Investment expenses necessary to provide investment services to the state general fund. This appropriation must be deposited in the State Board of Investment operating account;~~

~~(2) (1) the executive director shall first apportion the actual expenses allocable solely to a specific fund, or in the case of multiple funds, among the funds proportionally based on weighted average assets under management during the fiscal year; and~~

~~(2) next, the executive director shall apportion the expenses incurred by the State Board of Investment state board, less the charge to the state general fund charges apportioned under clause (1) and accounting for any modification made pursuant to subdivision 4, clause (11), among the funds whose assets are invested by the State Board of Investment, with the exception of the state general fund, for which the state board provides investment services, with such expenses allocated proportionally based on the weighted average assets under management during the fiscal year. The amounts necessary to pay these charges are apportioned from the investment earnings of each fund. Receipts must be credited to the State Board of Investment operating account;~~

~~(3) (b) The actual expenses apportioned and charged to the funds under paragraph (a), with the exception of the state general fund and the retirement funds administered by the Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association, must be calculated, billed, and paid at least on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of management and budget; and. Sums received to pay the expenses must be deposited in the operating account under section 11A.04.~~

~~(4) (c) The annual estimated expenses to be incurred by the State Board of Investment state board that will be payable by the retirement funds administered by the Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association must be deposited in the State Board of Investment operating account under section 11A.04 on or about the first business day of each fiscal year. A reconciliation of the actual expenses allocable to each retirement fund compared to the applicable estimated costs expenses must occur at least annually at the end of each the fiscal year with any surplus or. Any deficit being credited or debited to each of the respective funds. The State Board of Investment must present a statement of accrued actual determined by such reconciliation is due and payable to the State Board of Investment operating account promptly upon notice of the amount due. Any fiscal year-end surplus may, at the executive director's discretion, be retained in the operating account and credited against the following fiscal year's estimated expenses to of each respective retirement fund at the end of each quarter during each fiscal year. The executive director must refund to the respective retirement fund any portion of any surplus not credited against the following fiscal year's estimated expenses."~~

Page 5, after line 24, insert:

"Sec. 16. Laws 2025, chapter 39, article 1, section 8, is amended to read:

Sec. 8. STATE BOARD OF INVESTMENT \$139,000 \$139,000-0-"

Page 7, line 11, delete "14" and insert "18"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying expense apportionment among funds managed by the State Board of Investment;"

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.

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4223, A bill for an act relating to commerce; modifying the strengthen Minnesota homes program; appropriating money; amending Minnesota Statutes 2024, section 65A.299, subdivisions 5, 6.

Reported the same back with the following amendments:

Page 1, line 17, delete everything after the period and insert "The commissioner must notify the insurer providing the homeowner's insurance policy when work at a grant recipient's property is complete and the property meets the definition of insurable property under section 65A.298, subdivision 1, paragraph (b)."

Page 1, delete lines 18 to 22

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. 4466, A bill for an act relating to health; eliminating a reporting requirement; amending Minnesota Statutes 2024, section 62V.05, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
HEALTH-RELATED LICENSING BOARDS

Section 1. Minnesota Statutes 2024, section 13.381, subdivision 20, is amended to read:

Subd. 20. **Insulin safety net.** Data collected relating to an individual who seeks to access urgent-need covered insulin or participates in a manufacturer's patient assistance program is classified under section 151.74, subdivision 11.

Sec. 2. Minnesota Statutes 2024, section 148.65, subdivision 5, is amended to read:

Subd. 5. **Student physical therapist.** "Student physical therapist" means a person in a professional educational program, approved by the board under section 148.705, who is satisfying supervised clinical education requirements by performing physical therapy under the ~~on-site~~ direct supervision of a licensed physical therapist. "~~On-site supervision~~" means the physical therapist is easily available for instruction to the student physical therapist. ~~The physical therapist shall have direct contact with the patient during at least every second treatment session by the student physical therapist.~~ "Direct supervision" means that the physical therapist is physically present and immediately available for supervision. Telecommunications, ~~except within the facility,~~ does not meet the requirement of ~~on-site~~ direct supervision.

Sec. 3. Minnesota Statutes 2024, section 148.65, subdivision 6, is amended to read:

Subd. 6. **Student physical therapist assistant.** "Student physical therapist assistant" means a person in a physical therapist assistant educational program accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE) or a recognized comparable national accrediting agency approved by the board. The student physical therapist assistant, under the direct supervision of the physical therapist, or the direct supervision of the

physical therapist and physical therapist assistant team, performs physical therapy interventions and assists with coordination, communication, documentation, and patient-client-related instruction. "Direct supervision" means the physical therapist or physical therapist assistant when supervising a student physical therapist assistant as part of a physical therapist and physical therapist assistant team is physically present and immediately available to provide instruction to the student physical therapist assistant. Telecommunications does not meet the requirement of direct supervision.

Sec. 4. Minnesota Statutes 2024, section 148.706, subdivision 1, is amended to read:

Subdivision 1. **Supervision.** (a) Every physical therapist who uses the services of a physical therapist assistant or physical therapy aide for the purpose of assisting in the practice of physical therapy is responsible for functions performed by the assistant or aide while engaged in such assistance. The physical therapist shall ~~delegate direct~~ duties to the physical therapist assistant and assign tasks to the physical therapy aide in accordance with subdivision 2. ~~Physical therapists who instruct student physical therapists and student physical therapist assistants are responsible for the functions performed by the students and shall supervise the students as provided under section 148.65, subdivisions 5 and 6. A licensed physical therapist may supervise no more than two physical therapist assistants at any time.~~

(b) A licensed physical therapist may supervise no more than two physical therapist assistants at any time. A physical therapist supervising physical therapist assistants is not required to be on site, but must be easily available by telecommunications.

(c) Physical therapists who instruct student physical therapists and student physical therapist assistants are responsible for the functions performed by the students and shall supervise the students as provided under section 148.65, subdivisions 5 and 6. A physical therapist supervising a student physical therapist must have direct contact with the patient during at least every second treatment session by the student physical therapist. A physical therapist or physical therapist assistant as part of a physical therapist and physical therapist assistant team who is supervising a student physical therapist assistant must have direct contact with the patient during at least every second treatment session by the student physical therapist assistant.

Sec. 5. Minnesota Statutes 2024, section 148.706, subdivision 2, is amended to read:

Subd. 2. **Delegation Direction of duties.** The physical therapist ~~may delegate~~ is authorized to direct patient treatment procedures only to a physical therapist assistant who has sufficient didactic and clinical preparation. The physical therapist ~~may~~ must not ~~delegate direct~~ the following activities to ~~the~~ a physical therapist assistant or to other supportive personnel: initial patient examination and evaluation, ~~treatment planning, initial treatment, change of treatment,~~ development and modification of the plan of care, and initial or final documentation.

Sec. 6. Minnesota Statutes 2024, section 148.706, subdivision 3, is amended to read:

Subd. 3. **Observation of and collaboration with physical therapist assistants.** When a physical therapist directs components of a patient's treatment are delegated to a physical therapist assistant, a physical therapist must provide on-site observation of the treatment and documentation of its appropriateness at least every six treatment sessions. The physical therapist is not required to be on site, but must be easily available by telecommunications. do the following at least every six treatment sessions that the physical therapist assistant provides services:

(1) observe a portion of the patient treatment session with the physical therapist assistant, either in person or remotely via telehealth; and

(2) document a collaborative discussion with the physical therapist assistant and the continued appropriateness of the plan of care.

Sec. 7. Minnesota Statutes 2024, section 151.74, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) ~~By July 1, 2020,~~ Each manufacturer must establish procedures to make covered insulin available in accordance with this section to eligible individuals who are in urgent need of covered insulin or who are in need of access to an affordable covered insulin supply.

(b) For purposes of this section, the following definitions apply:

(1) "manufacturer" means a manufacturer engaged in the manufacturing of covered insulin ~~that is self-administered on an outpatient basis~~;

(2) "MNsured" means the Board of Directors of MNsure established in chapter 62V;

(3) "navigator" has the meaning provided in section 62V.02; ~~and~~

(4) "pharmacy" means a pharmacy located in Minnesota and licensed under section 151.19 that operates in the community or outpatient license category under Minnesota Rules, part 6800.0350; and

(5) "covered insulin" means a drug that is validly prescribed by a practitioner and contains insulin for use to treat diabetes. Covered insulin does not include an insulin product with a label approved by the United States Food and Drug Administration that indicates the product is only for use for intravenous infusion.

(c) Any manufacturer with an annual gross revenue of \$2,000,000 or less from covered insulin sales in Minnesota is exempt from this section. To request a waiver under this paragraph, the manufacturer must submit a request to the Board of Pharmacy that includes documentation indicating that the manufacturer is eligible for an exemption.

(d) ~~A~~ A covered insulin product is exempt from this section if the wholesale acquisition cost of the covered insulin is \$8 or less per milliliter or applicable National Council for Prescription Drug Plan billing unit, for the entire assessment time period, adjusted annually based on the Consumer Price Index.

Sec. 8. Minnesota Statutes 2024, section 151.74, subdivision 2, is amended to read:

Subd. 2. **Eligibility for urgent-need safety net program.** (a) To be eligible to receive an urgent-need supply of covered insulin under this section, an individual must attest to:

(1) being a resident of Minnesota;

(2) not being enrolled in medical assistance or MinnesotaCare;

(3) not being enrolled in prescription drug coverage that limits the total amount of cost-sharing that the enrollee is required to pay for a 30-day supply of covered insulin, including co-payments, deductibles, or coinsurance, to \$75 or less, regardless of the type or amount of covered insulin prescribed;

(4) not having received an urgent-need supply of covered insulin through this program within the previous 12 months, unless authorized under subdivision 9; and

(5) being in urgent need of covered insulin.

(b) For purposes of this subdivision, "urgent need of covered insulin" means having readily available for use less than a seven-day supply of covered insulin and in need of covered insulin in order to avoid the likelihood of suffering significant health consequences.

Sec. 9. Minnesota Statutes 2024, section 151.74, subdivision 3, is amended to read:

Subd. 3. **Access to urgent-need covered insulin.** (a) MNSure shall develop an application form to be used by an individual who is in urgent need of covered insulin. The application must ask the individual to attest to the eligibility requirements described in subdivision 2. The form shall be accessible through MNSure's website. MNSure shall also make the form available to pharmacies and health care providers who prescribe or dispense covered insulin, hospital emergency departments, urgent care clinics, and community health clinics. By submitting a completed, signed, and dated application to a pharmacy, the individual attests that the information contained in the application is correct.

(b) If the individual is in urgent need of covered insulin, the individual may present a completed, signed, and dated application form to a pharmacy. The individual must also:

(1) have a ~~valid~~ covered insulin prescription; and

(2) present the pharmacist with identification indicating Minnesota residency in the form of a valid Minnesota identification card, driver's license or permit, individual taxpayer identification number, or Tribal identification card as defined in section 171.072, paragraph (b). If the individual in urgent need of covered insulin is under the age of 18, the individual's parent or legal guardian must provide the pharmacist with proof of residency.

(c) Upon receipt of a completed and signed application, the pharmacist shall dispense the ~~prescribed~~ covered insulin in an amount that will provide the individual with a 30-day supply. The pharmacy must notify the health care practitioner who issued the prescription order no later than 72 hours after the covered insulin is dispensed.

(d) The pharmacy may submit to the manufacturer of the dispensed covered insulin product or to the manufacturer's vendor a claim for payment that is in accordance with the National Council for Prescription Drug Program standards for electronic claims processing, unless the manufacturer agrees to send to the pharmacy a replacement supply of the same covered insulin as dispensed in the amount dispensed. If the pharmacy submits an electronic claim to the manufacturer or the manufacturer's vendor, the manufacturer or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's acquisition cost.

(e) The pharmacy may collect ~~an~~ a covered insulin co-payment from the individual to cover the pharmacy's costs of processing and dispensing in an amount not to exceed \$35 for the 30-day supply of covered insulin dispensed.

(f) The pharmacy shall also provide each eligible individual with the information sheet described in subdivision 7 and a list of trained navigators provided by the Board of Pharmacy for the individual to contact if the individual needs to access ongoing covered insulin coverage options, including assistance in:

(1) applying for medical assistance or MinnesotaCare;

(2) applying for a qualified health plan offered through MNSure, subject to open and special enrollment periods;

(3) accessing information on providers who participate in prescription drug discount programs, including providers who are authorized to participate in the 340B program under section 340b of the federal Public Health Services Act, United States Code, title 42, section 256b; and

(4) accessing covered insulin manufacturers' patient assistance programs, co-payment assistance programs, and other foundation-based programs.

(g) The pharmacist shall retain a copy of the application form submitted by the individual to the pharmacy for reporting and auditing purposes.

(h) A manufacturer may submit to the commissioner of administration a request for reimbursement in an amount not to exceed \$35 for each 30-day supply of covered insulin the manufacturer provides under paragraph (d). The commissioner of administration shall determine the manner and format for submitting and processing requests for reimbursement. After receiving a reimbursement request, the commissioner of administration shall reimburse the manufacturer in an amount not to exceed \$35 for each 30-day supply of covered insulin the manufacturer provided under paragraph (d).

Sec. 10. Minnesota Statutes 2024, section 151.74, subdivision 4, is amended to read:

Subd. 4. **Continuing safety net program; general.** (a) Each manufacturer shall make a patient assistance program available to any individual who meets the requirements of this subdivision. Each manufacturer's patient assistance programs must meet the requirements of this section. Each manufacturer shall provide the Board of Pharmacy with information regarding the manufacturer's patient assistance program, including contact information for individuals to call for assistance in accessing their patient assistance program.

(b) To be eligible to participate in a manufacturer's patient assistance program, the individual must:

(1) be a Minnesota resident with a valid Minnesota identification card that indicates Minnesota residency in the form of a Minnesota identification card, driver's license or permit, individual taxpayer identification number, or Tribal identification card as defined in section 171.072, paragraph (b). If the individual is under the age of 18, the individual's parent or legal guardian must provide proof of residency;

(2) have a family income that is equal to or less than 400 percent of the federal poverty guidelines;

(3) not be enrolled in medical assistance or MinnesotaCare;

(4) not be eligible to receive health care through a federally funded program or receive prescription drug benefits through the Department of Veterans Affairs; and

(5) not be enrolled in prescription drug coverage through an individual or group health plan that limits the total amount of cost-sharing that an enrollee is required to pay for a 30-day supply of covered insulin, including co-payments, deductibles, or coinsurance to \$75 or less, regardless of the type or amount of covered insulin needed.

(c) Notwithstanding the requirement in paragraph (b), clause (4), an individual who is enrolled in Medicare Part D is eligible for a manufacturer's patient assistance program if the individual has spent \$1,000 on prescription drugs in the current calendar year and meets the eligibility requirements in paragraph (b), clauses (1) to (3).

(d) An individual who is interested in participating in a manufacturer's patient assistance program may apply directly to the manufacturer; apply through the individual's health care practitioner, if the practitioner participates; or contact a trained navigator for assistance in finding a long-term covered insulin supply solution, including assistance in applying to a manufacturer's patient assistance program.

Sec. 11. Minnesota Statutes 2024, section 151.74, subdivision 5, is amended to read:

Subd. 5. **Continuing safety net program; manufacturer's responsibilities.** (a) Upon receipt of an application for the manufacturer's patient assistance program, the manufacturer shall process the application and determine eligibility. The manufacturer shall notify the applicant of the determination within ten business days of receipt of the application. If necessary, the manufacturer may request additional information from the applicant. If additional

information is needed, the manufacturer must notify the applicant within five business days of receipt of the application as to what information is being requested. Within three business days of receipt of the requested information, the manufacturer must determine eligibility and notify the applicant of the determination. If the individual has been determined to be not eligible, the manufacturer must include the reasons for denying eligibility in the notification. The individual may seek an appeal of the determination in accordance with subdivision 8.

(b) If the individual is determined to be eligible, the manufacturer shall provide the individual with an eligibility statement or other indication that the individual has been determined eligible for the manufacturer's patient assistance program. An individual's eligibility is valid for 12 months and is renewable upon a redetermination of eligibility.

(c) If the eligible individual has prescription drug coverage through an individual or group health plan, the manufacturer may determine that the individual's covered insulin needs are better addressed through the use of the manufacturer's co-payment assistance program, in which case, the manufacturer shall inform the individual and provide the individual with the necessary coupons to submit to a pharmacy. In no instance shall an eligible individual be required to pay more than the co-payment amount specified under subdivision 6, paragraph (e).

Sec. 12. Minnesota Statutes 2024, section 151.74, subdivision 6, is amended to read:

Subd. 6. **Continuing safety net program; process.** (a) The individual shall submit to a pharmacy the statement of eligibility provided by the manufacturer under subdivision 5, paragraph (b). Upon receipt of an individual's eligibility status, the pharmacy shall submit an order containing the name of the covered insulin product and the daily dosage amount as contained in a valid prescription to the product's manufacturer.

(b) The pharmacy must include with the order to the manufacturer the following information:

- (1) the pharmacy's name and shipping address;
- (2) the pharmacy's office telephone number, fax number, email address, and contact name; and
- (3) any specific days or times when deliveries are not accepted by the pharmacy.

(c) Upon receipt of an order from a pharmacy and the information described in paragraph (b), the manufacturer shall send to the pharmacy a 90-day supply of covered insulin as ordered, unless a lesser amount is requested in the order, at no charge to the individual or pharmacy.

(d) Except as authorized under paragraph (e), the pharmacy shall provide the covered insulin to the individual at no charge to the individual. The pharmacy shall not provide covered insulin received from the manufacturer to any individual other than the individual associated with the specific order. The pharmacy shall not seek reimbursement for the covered insulin received from the manufacturer or from any third-party payer.

(e) The pharmacy may collect a co-payment from the individual to cover the pharmacy's costs for processing and dispensing in an amount not to exceed \$50 for each 90-day supply if the covered insulin is sent to the pharmacy.

(f) The pharmacy may submit to a manufacturer a reorder for an individual if the individual's eligibility statement has not expired. Upon receipt of a reorder from a pharmacy, the manufacturer must send to the pharmacy an additional 90-day supply of the product, unless a lesser amount is requested, at no charge to the individual or pharmacy if the individual's eligibility statement has not expired.

(g) Notwithstanding paragraph (c), a manufacturer may send the covered insulin as ordered directly to the individual if the manufacturer provides a mail order service option.

(h) A manufacturer may submit to the commissioner of administration a request for reimbursement in an amount not to exceed \$105 for each 90-day supply of covered insulin the manufacturer provides under paragraphs (c) and (f). The commissioner of administration shall determine the manner and format for submitting and processing requests for reimbursement. After receiving a reimbursement request, the commissioner of administration shall reimburse the manufacturer in an amount not to exceed \$105 for each 90-day supply of covered insulin the manufacturer provided under paragraphs (c) and (f). If the manufacturer provides less than a 90-day supply of covered insulin under paragraphs (c) and (f), the manufacturer may submit a request for reimbursement not to exceed \$35 for each 30-day supply of covered insulin provided.

Sec. 13. Minnesota Statutes 2024, section 151.74, subdivision 7, is amended to read:

Subd. 7. **Board of Pharmacy and MNsure responsibilities.** (a) The Board of Pharmacy shall develop an information sheet to post on its website and provide a link to the information sheet on the board's website for pharmacies, health care practitioners, hospital emergency departments, urgent care clinics, and community health clinics. The information sheet must contain:

- (1) a description of the urgent-need covered insulin safety net program, including how to access the program;
- (2) a description of each covered insulin manufacturer's patient assistance program and cost-sharing assistance program, including contact information on accessing the assistance programs for each manufacturer;
- (3) information on how to contact a trained navigator for assistance in applying for medical assistance, MinnesotaCare, a qualified health plan, or ~~an~~ a covered insulin manufacturer's patient assistance programs;
- (4) information on how to contact the Board of Pharmacy if a manufacturer determines that an individual is not eligible for the manufacturer's patient assistance program; and
- (5) notification that an individual in need of assistance may contact their local county social service department for more information or assistance in accessing ongoing affordable covered insulin options.

(b) The board shall also inform each individual who accesses urgent-need covered insulin through the insulin safety net program or accesses a manufacturer's patient assistance program that the individual may participate in a survey conducted by the Department of Health regarding satisfaction with the program. The board shall provide contact information for the individual to learn more about the survey and how to participate. This information may be included on the information sheet described in paragraph (a).

(c) MNsure, in consultation with the Board of Pharmacy and the commissioner of human services, shall develop a training program for navigators to provide navigators with information and resources necessary to assist individuals in accessing appropriate long-term covered insulin options.

(d) MNsure, in consultation with the Board of Pharmacy, shall compile a list of navigators who have completed the training program and who are available to assist individuals in accessing affordable covered insulin coverage options. The list shall be made available through the board's website and to pharmacies and health care practitioners who dispense and prescribe covered insulin.

(e) If a navigator assists an individual in accessing ~~an~~ a covered insulin manufacturer's patient assistance program, MNsure, within the available appropriation, shall pay the navigator a onetime application assistance bonus of no less than \$25. If a navigator receives a payment per enrollee of an assistance bonus under section 62V.05, subdivision 4, or 256.962, subdivision 5, the navigator shall not receive compensation under this paragraph.

Sec. 14. Minnesota Statutes 2024, section 151.74, subdivision 9, is amended to read:

Subd. 9. **Additional 30-day urgent-need covered insulin supply.** (a) If an individual has applied for medical assistance or MinnesotaCare but has not been determined eligible or has been determined eligible but coverage has not become effective or the individual has been determined ineligible for the manufacturer's patient assistance program by the manufacturer and the individual has requested a review pursuant to subdivision 8 but the panel has not rendered a decision, the individual may access urgent-need covered insulin under subdivision 3 if the individual is in urgent need of covered insulin as defined under subdivision 2, paragraph (b).

(b) To access an additional 30-day supply of covered insulin, the individual must attest to the pharmacy that the individual meets the requirements of paragraph (a) and must comply with subdivision 3, paragraph (b).

Sec. 15. Minnesota Statutes 2024, section 151.74, subdivision 10, is amended to read:

Subd. 10. **Penalty.** (a) If a manufacturer fails to comply with this section, the board may assess an administrative penalty of \$200,000 per month of noncompliance, with the penalty increasing to \$400,000 per month if the manufacturer continues to be in noncompliance after six months, and increasing to \$600,000 per month if the manufacturer continues to be in noncompliance after one year. The penalty shall remain at \$600,000 per month for as long as the manufacturer continues to be in noncompliance.

(b) In addition, a manufacturer is subject to the administrative penalties specified in paragraph (a) if the manufacturer fails to:

(1) provide a hotline for individuals to call or access between 8 a.m. and 10 p.m. on weekdays and between 10 a.m. and 6 p.m. on Saturdays; and

(2) list on the manufacturer's website the eligibility requirements for the manufacturer's patient assistance programs for Minnesota residents.

(c) Any penalty assessed under this subdivision shall be deposited in a separate covered insulin assistance account in the special revenue fund.

Sec. 16. Minnesota Statutes 2024, section 151.74, subdivision 11, is amended to read:

Subd. 11. **Data.** (a) Any data collected, created, received, maintained, or disseminated by the Board of Pharmacy, the legislative auditor, the commissioner of health, MNsure, or a trained navigator under this section related to an individual who is seeking to access urgent-need covered insulin or participate in a manufacturer's patient assistance program under this section is classified as private data on individuals as defined in section 13.02, subdivision 12, and may not be retained for longer than ten years.

(b) A manufacturer must maintain the privacy of all data received from any individual applying for the manufacturer's patient assistance program under this section and is prohibited from selling, sharing, or disseminating data received under this section unless required to under this section or the individual has provided the manufacturer with a signed authorization.

Sec. 17. Minnesota Statutes 2024, section 151.74, subdivision 13, is amended to read:

Subd. 13. **Reports.** (a) By February 15 of each year, ~~beginning February 15, 2021,~~ each manufacturer shall report to the Board of Pharmacy the following:

(1) the number of Minnesota residents who accessed and received covered insulin on an urgent-need basis under this section in the preceding calendar year;

(2) the number of Minnesota residents participating in the manufacturer's patient assistance program in the preceding calendar year, including the number of Minnesota residents who the manufacturer determined were ineligible for their patient assistance program; and

(3) the value of the covered insulin provided by the manufacturer under clauses (1) and (2).

For purposes of this paragraph, "value" means the wholesale acquisition cost of the covered insulin provided.

(b) By March 15 of each year, ~~beginning March 15, 2021,~~ the Board of Pharmacy shall submit the information reported in paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance. The board shall also include in the report any administrative penalties assessed under subdivision 10, including the name of the manufacturer and amount of the penalty assessed.

Sec. 18. Minnesota Statutes 2024, section 151.74, subdivision 14, is amended to read:

Subd. 14. **Program review; legislative auditor.** (a) The legislative auditor is requested to conduct a program review to determine:

(1) whether the manufacturers are meeting the responsibilities required under this section, including but not limited to:

- (i) reimbursing pharmacies for urgent-need covered insulin dispensed under subdivision 3;
- (ii) determining eligibility in a timely manner and notifying the individuals as required under subdivision 5; and
- (iii) providing pharmacies with covered insulin product under the manufacturers' patient assistance programs; and

(2) whether the training program developed for navigators is adequate and easily accessible for navigators interested in becoming trained, and that there is a sufficient number of trained navigators to provide assistance to individuals in need of assistance.

(b) The legislative auditor may access application forms retained by pharmacies under subdivision 3, paragraph (g), to determine whether urgent-need covered insulin is being dispensed in accordance with this section.

Sec. 19. Minnesota Statutes 2024, section 151.741, subdivision 1, is amended to read:

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

(b) "Board" means the Minnesota Board of Pharmacy under section 151.02.

(c) "Covered insulin" has the meaning given in section 151.74, subdivision 1.

~~(e)~~ (d) "Manufacturer" means a manufacturer licensed under section 151.252 and engaged in the manufacturing of ~~prescription~~ covered insulin.

Sec. 20. Minnesota Statutes 2024, section 151.741, subdivision 2, is amended to read:

Subd. 2. **Assessment of registration fee.** (a) The board shall assess each manufacturer an annual registration fee of \$100,000, except as provided in paragraph (b). The board shall notify each manufacturer of this requirement beginning November 1, 2024, and each November 1 thereafter.

(b) A manufacturer may request an exemption from the annual registration fee. The board shall exempt a manufacturer from the annual registration fee if the manufacturer can demonstrate to the board, in the form and manner specified by the board, that gross revenue from sales of ~~prescription~~ covered insulin produced by that manufacturer and sold or delivered within or into Minnesota was less than five percent of the total gross revenue from sales of ~~prescription~~ covered insulin produced by all manufacturers and sold or delivered within or into Minnesota in the previous calendar year.

Sec. 21. Minnesota Statutes 2025 Supplement, section 151.741, subdivision 5, is amended to read:

Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a) The insulin repayment account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to the commissioner of administration to reimburse manufacturers for covered insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h), and to cover costs incurred by the commissioner in providing these reimbursement payments.

(b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration shall certify to the commissioner of management and budget the total amount expended in the prior fiscal year for:

(1) reimbursement to manufacturers for covered insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h); and

(2) costs incurred by the commissioner of administration in providing the reimbursement payments described in clause (1).

(c) The commissioner of management and budget shall transfer from the health care access fund to the insulin repayment account, beginning July 1, 2025, and each July 1 thereafter, an amount equal to the amount to which the commissioner of administration certified pursuant to paragraph (b).

Sec. 22. **REPEALER.**

Minnesota Statutes 2024, section 151.74, subdivision 15, is repealed.

ARTICLE 2 DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2024, section 62U.04, subdivision 4, is amended to read:

Subd. 4. **Encounter data.** (a) All health plan companies, dental organizations, and third-party administrators shall submit encounter data on a monthly basis to a private entity designated by the commissioner of health. The data shall be submitted in a form and manner specified by the commissioner subject to the following requirements:

(1) the data must be de-identified data as described under the Code of Federal Regulations, title 45, section 164.514;

(2) the data for each encounter must include an identifier for the patient's health care home if the patient has selected a health care home, data on contractual value-based payments, and data deemed necessary by the commissioner to uniquely identify claims in the individual health insurance market;

(3) the data must include enrollee race and ethnicity, to the extent available, for claims incurred on or after January 1, 2023; ~~and~~

(4) except for the data described in clauses (2) and (3), the data must not include information that is not included in a health care claim, dental care claim, or equivalent encounter information transaction that is required under section 62J.536-; and

(5) the data must include at least the following data fields for any fully denied claims:

(i) an indicator of which claim lines were denied;

(ii) the reason for denial of each denied claim line;

(iii) the claim line status in terms of adjudication; and

(iv) a claim identifier to link the original claim to subsequent action on the claim.

(b) The commissioner or the commissioner's designee shall only use the data submitted under paragraph (a) to carry out the commissioner's responsibilities in this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the data classifications in this paragraph, data on providers collected under this subdivision may be released or published as authorized in subdivision 11. The commissioner or the commissioner's designee shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

(d) The commissioner or the commissioner's designee shall not publish analyses or reports that identify, or could potentially identify, individual patients.

(e) The commissioner shall compile summary information on the data submitted under this subdivision. The commissioner shall work with its vendors to assess the data submitted in terms of compliance with the data submission requirements and the completeness of the data submitted by comparing the data with summary information compiled by the commissioner and with established and emerging data quality standards to ensure data quality.

Sec. 2. Minnesota Statutes 2024, section 62U.04, subdivision 13, is amended to read:

Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The commissioner or the commissioner's designee shall make the data submitted under subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to individuals and organizations engaged in research on, or efforts to effect transformation in, health care outcomes, access, quality, disparities, or spending, provided the use of the data serves a public benefit. Data made available under this subdivision may not be used to:

(1) create an unfair market advantage for any participant in the health care market in Minnesota, including health plan companies, payers, and providers;

(2) reidentify or attempt to reidentify an individual in the data; or

(3) publicly report contract details between a health plan company and provider and derived from the data.

(b) To implement paragraph (a), the commissioner shall:

(1) establish detailed requirements for data access; a process for data users to apply to access and use the data; legally enforceable data use agreements to which data users must consent; a clear and robust oversight process for data access and use, including a data management plan, that ensures compliance with state and federal data privacy laws; agreements for state agencies and the University of Minnesota to ensure proper and efficient use and security of data; and technical assistance for users of the data and for stakeholders;

(2) ~~develop a~~ assess fees according to the fee schedule in subdivision 14 to support the cost of expanded access to and use of the data, provided the fees charged under the schedule do not create a barrier to access or use for those most affected by disparities; ~~and~~

(3) create a research advisory group to advise the commissioner on applications for data use under this subdivision, including an examination of the rigor of the research approach, the technical capabilities of the proposed user, and the ability of the proposed user to successfully safeguard the data; ~~and~~

(4) annually publish on the Department of Health website a list of projects authorized under this subdivision.

Sec. 3. Minnesota Statutes 2024, section 62U.04, is amended by adding a subdivision to read:

Subd. 14. **Fees for expanded access to and use of the all-payer claims database.** (a) For purposes of this section:

(1) "custom data set or analysis" means a de-identified data set or report for which a standard data set or limited use data sets are not appropriate, that only provides the minimum necessary data, and that is de-identified using the expert determination method as defined in Code of Federal Regulations, title 45, section 164.514(b)(1);

(2) "data file" means a data file derived from medical claims, pharmacy claims, dental claims, eligibility information, membership information, or provider information for a single year;

(3) "limited use data set" means a data set that meets the requirements in Code of Federal Regulations, title 45, section 164.514(e)(2), and may include protected health information from which certain direct identifiers of individuals have been removed under the principle of minimum information necessary; and

(4) "standard data set" means a static data release designed by the commissioner to serve a wide range of projects in which nearly all de-identified data elements are disclosed in one release after applying the safe harbor de-identification method defined in Code of Federal Regulations, title 45, section 164.514(b)(2), and from which protected health information and any combination of data elements that directly identify any person are excluded.

(b) The commissioner must assess fees on an individual or organization that receives data under subdivision 13 for the cost of accessing or receiving the data. Costs under this paragraph may include but are not limited to the cost of producing and releasing data to the individual or organization under subdivision 13 and managing infrastructure and operations. The commissioner must assess fees according to the following schedule based on the type of data requested and number of years for which access is requested:

(1) the fee for a standard data set is \$3,500 per data file per year;

(2) the fee for a limited use data set is \$7,000 per data file per year; and

(3) the fee for a custom data set or analysis is \$89 per hour of staff time expended, with fees not to exceed the cost of 65 hours of staff time.

(c) An individual or organization that receives approval to access or receive data under subdivision 13 must pay all the required fees in full before accessing or receiving the requested data.

(d) The commissioner may grant a partial or full waiver of the fees in paragraph (b) if the individual or organization requesting the data meets at least one of the following criteria:

(1) the fees represent a financial hardship to the individual or organization;

(2) the organization is a self-insured data submitter under this section;

(3) the individual or organization is affiliated with an academic institution;

(4) the individual or organization requests a high volume of data files; or

(5) the request is from a Tribal health director for, or the governing body of, one of the 11 federally recognized Tribes in Minnesota.

In determining whether to grant a waiver under this paragraph, the commissioner may consult the research advisory group established under subdivision 13.

(e) Fees paid by an individual or organization approved to access or receive data under subdivision 13 are nonrefundable. Fees collected under this subdivision must be deposited into an account in the special revenue fund. Money in that account does not cancel and is appropriated to the commissioner to offset the cost of providing access to data under subdivision 13 and maintaining data submitted under subdivisions 4 to 5b.

(f) The commissioner must publish the fee schedule in paragraph (b) on the Department of Health website.

Sec. 4. Minnesota Statutes 2024, section 144.1222, is amended by adding a subdivision to read:

Subd. 2e. **Private residential pool used for certified swimming classes.** Notwithstanding Minnesota Rules, part 4717.0250, subpart 7, a private residential pool may be used as part of a business if the private residential pool is used by a paying guest of the homeowner and the guest is participating in a certified swimming class conducted by the homeowner, provided that:

(1) the homeowner is a certified swimming instructor and is conducting a certified swimming class on a one-on-one basis;

(2) not more than four individuals are in the pool at the same time during the class;

(3) prior to each new paying guest beginning participation in a certified swimming class:

(i) the guest, or the guest's parent or legal guardian if the guest is a minor, provides written consent to use of the pool. The written consent must include a statement that the guest, or the guest's parent or legal guardian if the guest is a minor, has received and read materials provided by the Department of Health with information on the risk of disease transmission and other risks associated with pools and a statement that the Department of Health does not monitor or inspect the homeowner's pool to ensure compliance with the requirements in section 144.1222 or Minnesota Rules, chapter 4717; and

(ii) the homeowner tests the pool's water for the concentration of chlorine or bromine, pH, and alkalinity, and the water in the pool meets the requirements for disinfection residual, pH, and alkalinity in Minnesota Rules, part 4717.1750, subparts 4, 5, and 6; and

(4) the following notice is conspicuously posted at the pool and, prior to each new paying guest beginning participation in a certified swimming class, is provided to the guest or to the guest's parent or legal guardian if the guest is a minor:

"NOTICE

This pool is exempt from state and local anti-entrapment and sanitary requirements that prevent waterborne diseases such as Legionnaires' disease, Pseudomonas folliculitis (hot tub rash), and chemical burns and is not subject to inspection.

USE AT YOUR OWN RISK"

Sec. 5. Minnesota Statutes 2024, section 144.1222, subdivision 4, is amended to read:

Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "ASME/ANSI standard" means a safety standard accredited by the American National Standards Institute and published by the American Society of Mechanical Engineers.

(c) "ASTM standard" means a safety standard issued by ASTM International, formerly known as the American Society for Testing and Materials.

(d) "Public pool" means any pool other than a private residential pool, that is: (1) open to the public generally, whether for a fee or free of charge; (2) open exclusively to members of an organization and their guests; (3) open to residents of a multiunit apartment building, apartment complex, residential real estate development, or other multifamily residential area; (4) open to patrons of a hotel or lodging or other public accommodation facility; or (5) operated by a person in a park, school, licensed child care facility, group home, motel, camp, resort, club, condominium, manufactured home park, or political subdivision with the exception of swimming pools at family day care homes licensed under section 142B.41, subdivision 9, paragraph (a).

(e) "Unblockable suction outlet or drain" means a drain of any size and shape that a human body cannot sufficiently block to create a suction entrapment hazard and meets ASME/ANSI standards.

(f) "Certified swimming class" means an infant swimming resource (ISR) class; an American Red Cross swimming class, swimming lesson, or learn-to-swim class; or any other swimming class certified by a nationally accredited organization that operates in all 50 states.

(g) "Certified swimming instructor" means a certified ISR instructor; a certified American Red Cross swimming instructor or swim coach; or any other swimming instructor certified by a nationally accredited organization that operates in all 50 states.

Sec. 6. Minnesota Statutes 2025 Supplement, section 144.125, subdivision 1, is amended to read:

Subdivision 1. **Duty to perform testing.** (a) It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age, (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange to have administered to every infant or child in its care tests for heritable and congenital disorders according to subdivision 2 and rules prescribed by the state commissioner of health.

(b) Testing, recording of test results, reporting of test results, and follow-up of infants with heritable congenital disorders, including hearing loss detected through the early hearing detection and intervention program in section 144.966, shall be performed at the times and in the manner prescribed by the commissioner of health.

(c) The fee to support the newborn screening program, including tests administered under this section and section 144.966, shall be \$184.35 per specimen. This fee amount shall be deposited in the state treasury and credited to the state government special revenue fund. If the individual described in paragraph (a) submits to an insurer a claim for reimbursement for the fee in this paragraph but does not receive reimbursement from the insurer, the individual may request a special fee exemption form from the newborn screening program and may apply for an exemption from the fee in this paragraph. To qualify for the exemption, the individual must provide documentation to the newborn screening program that the insurer did not reimburse the individual for the fee in this paragraph.

(d) The fee to offset the cost of the support services provided under section 144.966, subdivision 3a, shall be \$15 per specimen. This fee shall be deposited in the state treasury and credited to the general fund.

Sec. 7. Minnesota Statutes 2024, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Availability.** (a) The commissioner of health shall use money appropriated for health professional education loan forgiveness in this section:

(1) for medical residents, physicians, mental health professionals, and alcohol and drug counselors agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate care facility for persons with developmental disability; in a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; in an assisted living facility as defined in section 144G.08, subdivision 7; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas;

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51c.303; and

(7) for nurses employed as a hospital nurse by a nonprofit hospital and providing direct care to patients at the nonprofit hospital.

(b) Appropriations made for health professional education loan forgiveness in this section do not cancel and are available until expended, ~~except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.~~

Sec. 8. Minnesota Statutes 2024, section 144.1503, subdivision 7, is amended to read:

Subd. 7. **Selection process.** The commissioner shall determine a maximum award for grants and loan forgiveness, and shall make selections based on the information provided in the grant application, including the demonstrated need for an applicant provider to enhance the education of its workforce, the proposed employee scholarship or loan forgiveness selection process, the applicant's proposed budget, and other criteria as determined by the commissioner. Notwithstanding any law or rule to the contrary, amounts appropriated for purposes of this section do not cancel and are available until expended, ~~except that at the end of each biennium, any remaining amount that is not committed by contract and not needed to fulfill existing commitments shall cancel to the general fund.~~

Sec. 9. Minnesota Statutes 2024, section 144.1505, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "eligible advanced practice registered nurse program" means a program that is located in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level advanced practice registered nurse program by the Commission on Collegiate Nursing Education or by the Accreditation Commission for Education in Nursing, or ~~is~~ has presented a credible plan as a candidate for accreditation;

(2) "eligible dental therapy program" means a dental therapy education program or advanced dental therapy education program ~~that is located in Minnesota and is either~~ that:

(i) is approved by the Board of Dentistry; ~~or~~

(ii) is currently accredited by the Commission on Dental Accreditation; or

(iii) has presented a credible plan as a candidate for accreditation;

(3) "eligible mental health professional program" means a program that is located in Minnesota and is ~~listed~~ currently accredited as a mental health professional program by the appropriate accrediting body for clinical social work, psychology, marriage and family therapy, or licensed professional clinical counseling, or ~~is~~ has presented a credible plan as a candidate for accreditation;

(4) "eligible pharmacy program" means a program that is located in Minnesota and is currently accredited as a doctor of pharmacy program by the Accreditation Council on Pharmacy Education or has presented a credible plan as a candidate for accreditation;

(5) "eligible physician assistant program" means a program that is located in Minnesota and is currently accredited as a physician assistant program by the Accreditation Review Commission on Education for the Physician Assistant, or ~~is~~ has presented a credible plan as a candidate for accreditation;

(6) "mental health professional" means an individual providing clinical services in the treatment of mental illness who meets one of the qualifications under section 245.462, subdivision 18;

(7) "eligible physician training program" means a medical school training program or a physician residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation;

(8) "eligible dental program" means a dental education program or a dental residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation; ~~and~~

(9) "project" means a project to ~~establish or expand~~ (i) plan or implement a new eligible clinical training for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, or mental health professionals in Minnesota. program or increase the base number of trainees in an existing eligible clinical training program, or (ii) add or expand rural rotations or clinical training experiences in an existing eligible clinical training program;

(10) "rural community" means a Tribal Nation, statutory city, home rule charter city, or township in Minnesota that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; ~~and~~

(11) "underserved community" means a Minnesota area or population included in the list of designated primary medical care health professional shortage areas, medically underserved areas, or medically underserved populations maintained and updated by the United States Department of Health and Human Services.

Sec. 10. Minnesota Statutes 2024, section 144.1505, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) For advanced practice provider clinical training expansion grants, the commissioner of health shall award ~~health professional training site~~ grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs to plan and implement ~~expanded a new~~ eligible clinical training program or increase the base number of trainees in an existing eligible clinical training program. Clinical training must take place in rural communities or underserved communities. A planning grant shall not exceed \$75,000, and a three-year training grant shall not exceed \$300,000 per project. The commissioner may provide a ~~one-year~~, no-cost extension for grants.

(b) For health professional rural ~~and underserved~~ clinical rotations grants, the commissioner of health shall award ~~health professional training site~~ grants to existing eligible physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry, dental therapy, and mental health professional training programs to ~~augment existing clinical training programs to~~ add, expand, or enhance rural and underserved rotations or clinical training experiences, such as credential or certificate rural tracks or other specialized training. Rotations and clinical training experiences must take place in rural communities. For physician and dentist training, the expanded training must include rotations in primary care settings such as community clinics, hospitals, health maintenance organizations, or practices in rural communities.

(c) Advanced practice provider clinical training expansion grant funds may be used for:

(1) ~~establishing or expanding rotations~~ planning and implementing a new clinical training program or increasing the base number of trainees in an existing clinical training program as described in paragraph (a);

(2) recruitment, training, and retention of students ~~and~~, faculty, and preceptors;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship ~~activities~~ opportunities;

- (4) travel and lodging for students;
 - (5) faculty, student, and preceptor salaries, incentives, or other financial support;
 - (6) development and implementation of health equity and cultural competency responsiveness training;
 - (7) evaluations of the clinical training program to inform program improvements;
 - (8) training site improvements, fees, equipment, and supplies required to establish, maintain, or expand a training program; ~~and~~
 - (9) supporting clinical education in which trainees are part of a primary care team model; and
 - (10) onboarding expenses for trainees to meet clinical training site requirements.
- (d) Health professional rural clinical rotation grant funds may be used for:
- (1) adding, expanding, or enhancing rural rotations and clinical training experiences in an existing clinical training program as described in paragraph (b);
 - (2) recruitment, training, and retention of students, faculty, and preceptors;
 - (3) connecting students with appropriate clinical training sites, internships, practicums, or externship opportunities;
 - (4) travel and lodging for students;
 - (5) faculty, student, and preceptor salaries, stipends, or other financial support;
 - (6) development and implementation of health equity and cultural responsiveness training;
 - (7) evaluations of the rural rotation or clinical training experience to inform program improvements;
 - (8) training site improvements, fees, equipment, and supplies required to establish or expand rural rotations or clinical training experiences;
 - (9) supporting clinical education in which trainees are part of a primary care team model; and
 - (10) onboarding expenses for trainees to meet clinical training site requirements.

Sec. 11. Minnesota Statutes 2024, section 144.1505, subdivision 3, is amended to read:

Subd. 3. **Applications.** (a) Eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, dental, physician, and mental health professional programs seeking a grant shall apply to the commissioner. Applications for advanced practice provider clinical training expansion grants must include a description of the number of additional students who will be trained using grant funds; and attestation that funding will be used to support an increase in the number of clinical training slots;

(b) All applications must include: (1) a description of the problem that the proposed project will address; (2) a description of the project, including all costs associated with the project; (3) sources of funds for the project; (4) detailed uses of all funds for the project; and (5) a plan to maintain or operate any

~~component included in the project after the grant period, including a description of potential barriers to sustainability. The applicant~~ Applicants must describe achievable objectives, a timetable, and roles and capabilities of responsible individuals in the organization.

~~Applicants applying under subdivision 2, paragraph (b),~~ (c) Applications for rural clinical rotation grants must include a description of the new, expanded, or enhanced rural rotations or clinical training experiences; attestation that funding will be used to support improved rural clinical training experiences; and information about length of training and training site settings, geographic location of rural sites, and rural populations expected to be served.

Sec. 12. Minnesota Statutes 2024, section 144.1507, subdivision 1, is amended to read:

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

(b) "Eligible program" means a program that meets the following criteria:

(1) is located in Minnesota;

(2) trains medical residents in the specialties of family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, or general surgery in rural residency training programs or in community-based ambulatory care centers that primarily serve the underserved, or trains postdoctoral psychology residents; and

(3) is accredited by the Accreditation Council for Graduate Medical Education or the American Psychological Association or presents a credible plan to obtain accreditation.

(c) "Rural community" means a Tribal Nation, statutory city, home rule charter city, or township in Minnesota that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

~~(d)~~ (d) "Rural residency training program" means a rural medical residency program or a rural psychology residency program that provides an initial year of training in an accredited residency program in Minnesota. The subsequent years of the residency program are At least two-thirds of the residency training must be based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers. When specialty rotations cannot be fulfilled within rural communities, training may occur in regional or urban sites as long as at least one-half of all training occurs in rural communities. For residency training programs in general surgery, pediatrics, and psychiatry, at least one-half of the residency training must be based in communities outside the seven-county metropolitan area, with rotations in rural communities.

~~(e)~~ (e) "Community-based ambulatory care centers" means federally qualified health centers, community mental health centers, rural health clinics, health centers operated by the Indian Health Service, an Indian Tribe or Tribal organization, or an urban American Indian organization or an entity receiving funds under Title X of the Public Health Service Act.

~~(f)~~ (f) "Eligible project" means a project to establish and maintain a rural residency training program.

Sec. 13. Minnesota Statutes 2024, section 144.1507, subdivision 2, is amended to read:

Subd. 2. **Rural residency training program.** (a) The commissioner of health shall award rural residency training program grants to eligible programs to plan, implement, and sustain rural residency training programs. A rural medical residency training program grant shall not exceed \$250,000 per year for up to three years for planning and development, and \$225,000 per resident per year for each year thereafter to sustain the program. A rural psychology residency training program grant shall not exceed \$150,000 per year for up to three years for planning

and development, and \$150,000 per resident per year for each year thereafter to sustain the program. Medical and psychology residency programs that meet eligibility guidelines and continue to demonstrate financial need shall be granted sustaining funds, renewable every five years.

(b) Funds may be spent to cover the costs of:

- (1) planning related to establishing accredited rural residency training programs;
- (2) obtaining accreditation by the Accreditation Council for Graduate Medical Education, the American Psychological Association, or another national body that accredits rural residency training programs;
- (3) establishing new rural residency training programs;
- (4) recruitment, training, and retention of new residents and faculty related to the new rural residency training program;
- (5) travel and lodging for new residents;
- (6) faculty, new resident, and preceptor salaries related to new rural residency training programs;
- (7) training site improvements, fees, equipment, and supplies required for new rural residency training programs; and
- (8) supporting clinical education in which trainees are part of a primary care team model.

Sec. 14. Minnesota Statutes 2024, section 144.1507, subdivision 4, is amended to read:

Subd. 4. **Consideration of grant applications.** The commissioner shall review each application to determine if the residency program application is complete, if the proposed rural residency program and residency slots are eligible for a grant, and if the program is eligible for federal graduate medical education funding, and when the funding is available. If eligible programs are not eligible for federal graduate medical education funding, the commissioner may award continuation funding to the eligible program beyond the initial grant period without requiring a competitive application. The commissioner shall award grants to support training programs in family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, general surgery, psychology, and other primary care focus areas.

Sec. 15. Minnesota Statutes 2024, section 144.1507, is amended by adding a subdivision to read:

Subd. 6. **Clinical training program coordination.** The commissioner may award grants to the University of Minnesota to provide technical assistance to residency training programs for coordinated development of rural clinical training programs.

Sec. 16. Minnesota Statutes 2024, section 144.1911, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The international medical graduates assistance program is established to address barriers to practice and facilitate pathways to assist immigrant international medical graduates to integrate into the Minnesota health care delivery system, with the goal of increasing access to primary care in rural and underserved areas of the state. Notwithstanding any law to the contrary, appropriations made to the program do not cancel and are available until expended.

Sec. 17. Minnesota Statutes 2024, section 144.1911, subdivision 5, is amended to read:

Subd. 5. **Clinical preparation.** ~~(a)~~ The commissioner shall award grants to support clinical preparation for Minnesota international medical graduates needing additional clinical preparation or experience to qualify for residency. The grant program shall include:

(1) proposed training curricula;

(2) associated policies and procedures for clinical training sites, which must be part of existing clinical medical education programs in Minnesota; and

(3) monthly stipends for international medical graduate participants. Priority shall be given to primary care sites in rural or underserved areas of the state, ~~and~~. International medical graduate participants who receive support from the international medical graduate primary care residency grant program must commit to serving at least five years in a rural or underserved community of the state.

~~(b) The policies and procedures for the clinical preparation grants must be developed by December 31, 2015, including an implementation schedule that begins awarding grants to clinical preparation programs beginning in June of 2016.~~

Sec. 18. Minnesota Statutes 2024, section 144.1911, subdivision 6, is amended to read:

Subd. 6. **International medical graduate primary care residency grant program and revolving account.**

(a) The commissioner shall award grants to support primary care residency positions designated for Minnesota immigrant physicians who are willing to serve in rural or underserved areas of the state. No grant shall exceed \$150,000 per residency position per year. Eligible primary care residency grant recipients include accredited family medicine, general surgery, internal medicine, obstetrics and gynecology, psychiatry, and pediatric residency programs. Eligible primary care residency programs shall apply to the commissioner. Applications must include the number of anticipated residents to be funded using grant funds and a budget. ~~Notwithstanding any law to the contrary, funds awarded to grantees in a grant agreement do not lapse until the grant agreement expires.~~ Before any funds are distributed, a grant recipient shall provide the commissioner with the following:

(1) a copy of the signed contract between the primary care residency program and the participating international medical graduate;

(2) certification that the participating international medical graduate has lived in Minnesota for at least two years and is certified by the Educational Commission on Foreign Medical Graduates. Residency programs may also require that participating international medical graduates hold a Minnesota certificate of clinical readiness for residency, once the certificates become available; and

(3) verification that the participating international medical graduate has executed a participant agreement pursuant to paragraph (b).

(b) Upon acceptance by a participating residency program, international medical graduates shall enter into an agreement with the commissioner to provide primary care for at least five years in a rural or underserved area of Minnesota after graduating from the residency program and make payments to the revolving international medical graduate residency account for five years beginning in their second year of postresidency employment. Participants shall pay \$15,000 or ten percent of their annual compensation each year, whichever is less.

(c) A revolving international medical graduate residency account is established as an account in the special revenue fund in the state treasury. The commissioner of management and budget shall credit to the account appropriations, payments, and transfers to the account. Earnings, such as interest, dividends, and any other earnings

arising from fund assets, must be credited to the account. Funds in the account are appropriated annually to the commissioner to award grants and administer the grant program established in paragraph (a). Notwithstanding any law to the contrary, any funds deposited in the account do not expire. The commissioner may accept contributions to the account from private sector entities subject to the following provisions:

- (1) the contributing entity may not specify the recipient or recipients of any grant issued under this subdivision;
- (2) the commissioner shall make public the identity of any private contributor to the account, as well as the amount of the contribution provided; and
- (3) a contributing entity may not specify that the recipient or recipients of any funds use specific products or services, nor may the contributing entity imply that a contribution is an endorsement of any specific product or service.

Sec. 19. Minnesota Statutes 2024, section 149A.02, subdivision 26, is amended to read:

Subd. 26. **Intern.** "Intern" means an individual ~~that~~ who: (1)(i) has met the educational and testing requirements for a license to practice mortuary science in Minnesota; (ii) has completed a mortuary science program accredited by the American Board of Funeral Service Education; or (iii) is enrolled in a mortuary science program accredited by the American Board of Funeral Service Education; (2) has registered with the commissioner of health; and (3) is engaged in the practice of mortuary science under the direction and supervision of a currently licensed Minnesota mortuary science practitioner.

Sec. 20. Minnesota Statutes 2024, section 149A.20, subdivision 6, is amended to read:

Subd. 6. **Internship.** (a) A person ~~who attains a passing score on both examinations in subdivision 5~~ must complete a registered internship under the direct supervision of an individual currently licensed to practice mortuary science in Minnesota. ~~Interns must file with the commissioner: A person may begin the registered internship while the person is enrolled in a mortuary science program accredited by the American Board of Funeral Service Education, upon completion of the accredited mortuary science program, or after attaining a passing score on both examinations in subdivision 5.~~

(b) An applicant for an internship must file with the commissioner:

- (1) the appropriate fee; ~~and~~
- (2) a registration form indicating the name and home address of the ~~intern, applicant;~~ the date the internship begins, ~~and;~~ the name, license number, and business address of the primary supervising mortuary science licensee; and the name, license number, and business address of the alternate supervising mortuary science licensee, if applicable; and
- (3) if the applicant is currently enrolled in a mortuary science program accredited by the American Board of Funeral Service Education, a letter from the program specifying the name and address of the program; verifying the applicant's enrollment, number of credit hours completed, and anticipated graduation date; and specifying whether the applicant has completed coursework in embalming and restorative arts.

~~(b)~~ (c) Any changes in information provided in the registration must be immediately reported to the commissioner. The internship shall be a minimum of 2,080 hours to be completed ~~within a three-year period, however, during enrollment in a mortuary science program accredited by the American Board of Funeral Service Education, after graduation, or both during enrollment and after graduation.~~ However, the commissioner may waive up to 520 hours of the internship time requirement upon satisfactory completion of a clinical or practicum in

mortuary science administered through the program of mortuary science of the University of Minnesota or a ~~substantially similar mortuary science program approved by the commissioner~~ accredited by the American Board of Funeral Service Education. Registrations must be renewed on an annual basis if they exceed one calendar year. During the internship period, the intern must be under the direct supervision of a person holding a current license to practice mortuary science in Minnesota. An intern may be registered under only one registered primary supervising licensee and one registered alternate supervising licensee at any given time and may be directed and supervised only by the registered primary supervising licensee or registered alternate supervising licensee. The registered primary supervising licensee shall have only one intern registered at any given time. The commissioner shall issue to each registered intern a registration permit that must be displayed with the other establishment and practice licenses. While under the direct supervision of the registered primary supervising or alternate supervising licensee, the intern must complete 25 case reports in each of the following areas: embalming, funeral arrangements, and services. An intern who has not completed coursework in embalming and restorative arts must be in the physical presence of the primary or alternate supervising licensee in order to perform surgical procedures and embalming. Case reports, on forms provided by the commissioner, shall be completed by the intern and filed with the commissioner prior to the completion of the internship. Information contained in these reports that identifies the subject or the family of the subject embalmed or the subject or the family of the subject of the funeral shall be classified as licensing data under section 13.41, subdivision 2.

Sec. 21. Minnesota Statutes 2024, section 149A.20, subdivision 7, is amended to read:

Subd. 7. **Application procedure and documentation.** After completing the registered internship, the applicant for an initial license to practice mortuary science must submit to the commissioner a complete application and the appropriate fee. A complete application includes:

- (1) a completed application form, as provided by the commissioner;
- (2) proof of age;
- (3) an official transcript from each post high school educational institution attended, including colleges of funeral service education;
- (4) certification of a passing score on the National Board Examination from the commissioner of the Conference of Funeral Service Examining Boards of the United States, Inc.;
- (5) a copy of the notification of a passing score on the state licensing examination; and
- (6) a signed, dated, and notarized affidavit from the registered primary supervising licensee who supervised the Minnesota internship stating the date the internship began and ended and that both the applicant and the registered primary supervising licensee fulfilled the requirements under subdivision 6.

Upon receipt of the completed application and appropriate fee, the commissioner shall review and verify all information. Upon completion of the verification process and resolution of any deficiencies in the application information, the commissioner shall make a determination, based on all the information available, to grant or deny licensure. If the commissioner's determination is to grant licensure, the applicant shall be notified and the license shall issue and remain valid for a period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner's determination is to deny licensure, the commissioner must notify the applicant, in writing, of the denial and provide the specific reason for the denial.

Sec. 22. Minnesota Statutes 2024, section 149A.30, subdivision 1, is amended to read:

Subdivision 1. **Licensees of other states.** (a) The commissioner may issue a reciprocal license to practice mortuary science to a person who holds a current license or other credential from another jurisdiction if the ~~commissioner determines that the requirements for that license or other credential are substantially similar to the requirements under this chapter.~~ The individual seeking reciprocal licensing must person:

(1) ~~attain~~ attains:

(i) a passing score on the Minnesota state licensing examination; and

(ii) a passing score on the National Board Examination administered by the International Conference of Funeral Service Examining Boards of the United States, Inc., or another examination determined by the commissioner to adequately and accurately assess the knowledge and skills required to practice mortuary science;

(2) ~~submit~~ submits to the commissioner the documentation described in section 149A.20, subdivision 7, clauses (1) and (5), and certification of a passing score on an examination described in clause (1), item (ii); and

(3) ~~pay~~ pays the appropriate licensing fee;

(4) submits to the commissioner:

(i) documentation that the person meets one of the educational requirements in section 149A.20, subdivision 4; or

(ii) documentation that the person has been licensed or credentialed in another jurisdiction and a signed, dated affidavit from the person declaring that the person has engaged in at least three years of practice in that jurisdiction performing the duties of a licensed mortician;

(5) submits to the commissioner a signed, dated affidavit from the person declaring that the person is not subject to any pending investigations by the mortuary science licensing or credentialing authority in any other jurisdiction and is not currently practicing as a licensed mortician in any other jurisdiction under a restricted license or credential;

(6) submits to the commissioner a signed, dated affidavit from the person declaring that the person has performed at least 25 services, completed at least 25 funeral arrangements, and performed at least 25 embalming cases; and

(7) submits to the commissioner documentation that the person has completed the continuing education hours required in section 149A.40, subdivision 11, within the two-year period prior to applying for licensure under this subdivision.

(b) When, in the determination of the commissioner, all of the requirements of this subdivision have been met, the commissioner shall, based on all the information available, grant or deny licensure. If the commissioner grants licensure, the applicant shall be notified and the license shall issue and remain valid for a period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner denies licensure, the commissioner must notify the applicant, in writing, of the denial and provide the specific reason for denial.

Sec. 23. Minnesota Statutes 2024, section 149A.91, subdivision 3, is amended to read:

Subd. 3. **Embalming or refrigeration required.** (a) A dead human body must be embalmed by a licensed mortician or registered intern or practicum student or clinical student, refrigerated, or packed in dry ice in the following circumstances:

(1) if the body will be transported by public transportation, pursuant to section 149A.93, subdivision 7;

(2) if final disposition will not be accomplished within 72 hours after death or release of the body by a competent authority with jurisdiction over the body or the body will be lawfully stored for final disposition in the future, except as provided in section 149A.94, subdivision 1;

(3) if the body will be publicly viewed subject to paragraph (b); or

(4) if so ordered by the commissioner of health for the control of infectious disease and the protection of the public health.

(b) For purposes of this subdivision, "publicly viewed" means reviewal of a dead human body by anyone other than those mentioned in section 149A.80, subdivision 2, and their minor children. Dry ice may only be used when the dead human body is publicly viewed within private property.

(c) Except as provided in section 149A.955, subdivision 14, a body may not be kept in refrigeration for a period that exceeds six calendar days, or packed in dry ice for a period that exceeds four calendar days, from the time and release of the body from the place of death or from the time of release from the coroner or medical examiner.

Sec. 24. Minnesota Statutes 2024, section 149A.94, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Every dead human body lying within the state, except unclaimed bodies delivered for dissection by the medical examiner, those delivered for anatomical study pursuant to section 149A.81, subdivision 2, or lawfully carried through the state for the purpose of disposition elsewhere; and the remains of any dead human body after dissection or anatomical study, shall be decently buried or entombed in a public or private cemetery, alkaline hydrolyzed, cremated, or, ~~effective July 1, 2025,~~ naturally reduced within a reasonable time after death. Where final disposition of a body will not be accomplished, or, ~~effective July 1, 2025,~~ when natural organic reduction will not be initiated, within 72 hours following death or release of the body by a competent authority with jurisdiction over the body, the body must be properly embalmed, refrigerated, or packed with dry ice. Except as provided in section 149A.955, subdivision 14, a body may not be kept in refrigeration for a period exceeding six calendar days, or packed in dry ice for a period that exceeds four calendar days, from the time of death or release of the body from the coroner or medical examiner.

Sec. 25. Minnesota Statutes 2024, section 149A.955, subdivision 14, is amended to read:

Subd. 14. **Bodies awaiting natural organic reduction.** A dead human body must be placed in the natural organic reduction vessel to initiate the natural reduction process within ~~24 hours~~ 30 days after the natural organic reduction facility accepts legal and physical custody of the body. A natural organic reduction facility must keep a body awaiting natural organic reduction in refrigeration if the facility holds the body for a period that exceeds four calendar days. A natural organic reduction facility must embalm a body awaiting natural organic reduction or have the body embalmed if the natural reduction process is not initiated within 30 days after the facility accepted legal and physical custody of the body, but the facility is not required to embalm or have embalmed the body if the natural reduction process is initiated within 30 days after the facility accepted legal and physical custody of the body.

ARTICLE 3
FEDERAL CONFORMITY AND RELATED PROVISIONS

Section 1. Minnesota Statutes 2024, section 116J.035, is amended by adding a subdivision to read:

Subd. 9. **Disclosure to the commissioner of human services.** The commissioner may disclose workforce program participation data gathered under chapter 116L to the commissioner of human services for the purpose of administering section 256B.0562 without the consent of the subject of the data.

Sec. 2. Minnesota Statutes 2025 Supplement, section 256.9657, subdivision 2b, is amended to read:

Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "eligible hospital" means:

(i) PrairieCare psychiatric hospital; or

(ii) a hospital licensed under section 144.50, located in Minnesota, and with a Medicare cost report filed and showing in the Healthcare Cost Report Information System (HCRIS), except for the following:

(A) federal Indian Health Service facilities;

(B) state-owned or state-operated regional treatment centers and all state-operated services;

(C) federal Veterans Administration Medical Centers; ~~and~~

(D) long-term acute care hospitals; and

(E) hospitals that do not receive payments under section 256B.1974;

(2) "net outpatient revenue" means total outpatient revenue less Medicare revenue as calculated from:

(i) values on Worksheet G of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner; and

(3) "total patient days" means total hospital inpatient days as reported on:

(i) Worksheet S-3 of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner.

(b) Subject to paragraphs (m) to (o), each eligible hospital must pay assessments to the hospital directed payment program account in the special revenue fund, with an aggregate annual assessment amount equal to the sum of the following:

(1) \$120.22 multiplied by total patient days; and

(2) 5.96 percent of the hospital's net outpatient revenue.

(c) The assessment amount for calendar years 2026 and 2027 must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's Medicare cost report as follows:

(1) an eligible hospital with a fiscal year ending on March 31 or June 30 must use data from a cost report from the hospital's fiscal year 2022; and

(2) an eligible hospital with a fiscal year ending on September 30 or December 31 must use data from a cost report from the hospital's fiscal year 2021.

(d) The annual assessment amount for calendar years after 2027 must be set for a two-year period and must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's most recent Medicare cost report filed and showing in HCRIS as of August 1 of the year prior to the subsequent two-year period.

(e) The commissioner may, after consultation with the Minnesota Hospital Association, modify the rates of assessment in paragraph (b) as necessary to comply with federal law, obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or otherwise maximize under this section federal financial participation for medical assistance. Notwithstanding the foregoing authorization to maximize federal financial participation for medical assistance, the commissioner must reduce the rates of assessment in paragraph (b) as necessary to ensure:

(1) the state's aggregated health care-related taxes on inpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services; and

(2) the state's aggregated health care-related taxes on outpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services.

(f) Eligible hospitals must pay the annual assessment amount under paragraph (b) to the commissioner by paying four equal, quarterly assessments. Eligible hospitals must pay the quarterly assessments by January 1, April 1, July 1, and October 1 each year. Assessments must be paid in the form and manner specified by the commissioner. An eligible hospital is prohibited from paying a quarterly assessment until the eligible hospital has received the applicable invoice under paragraph (g).

(g) The commissioner must provide eligible hospitals with an invoice by December 1 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the assessment due July 1, and September 1 for the assessment due October 1 each year.

(h) The commissioner must notify each eligible hospital of the hospital's estimated annual assessment amount for the subsequent calendar year by October 15 each year.

(i) If any of the dates for assessments or invoices in paragraphs (f) to (h) fall on a holiday, the applicable date is the next business day.

(j) A hospital that has merged with another hospital must have the surviving hospital's assessment revised at the start of the hospital's first full fiscal year after the merger is complete. A closed hospital is retroactively responsible for assessments owed for services provided through the final date of operations.

(k) If the commissioner determines that a hospital has underpaid or overpaid an assessment, the commissioner must notify the hospital of the unpaid assessment or of any refund due. The commissioner must refund a hospital's overpayment from the hospital directed payment program account created in section 256B.1975, subdivision 1.

(l) Revenue from an assessment under this subdivision must only be used by the commissioner to pay the nonfederal share of the directed payment program under section 256B.1974.

(m) The commissioner is prohibited from collecting any assessment under this subdivision during any period of time when:

(1) federal financial participation is unavailable or disallowed, or if the approved aggregate federal financial participation for the directed payment under section 256B.1974 is less than 51 percent; or

(2) a directed payment under section 256B.1974 is not approved by the Centers for Medicare and Medicaid Services.

(n) The commissioner must make the following discounts from the inpatient portion of the assessment under paragraph (b), clause (1), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) Hennepin Healthcare, with a discount of 25 percent;

(2) Mayo Rochester, with a discount of ten percent;

(3) Gillette Children's Hospital, with a discount of 90 percent;

(4) each hospital not included in another discount category, and with greater than \$200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of five percent; and

(5) any hospital responsible for greater than 12 percent of the total assessment annually collected statewide, with a discount in the amount necessary such that the hospital is responsible for 12 percent of the total assessment annually collected statewide.

(o) The commissioner must make the following discounts from the outpatient portion of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) each critical access hospital or independent hospital located outside a city of the first class and paid under the Medicare prospective payment system, with a discount of 40 percent;

(2) Gillette Children's Hospital, with a discount of 90 percent;

(3) Hennepin Healthcare, with a discount of 60 percent;

(4) Mayo Rochester, with a discount of 20 percent; and

(5) each hospital not included in another discount category, and with greater than \$200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of ten percent.

(p) If the federal share of the hospital directed payment program under section 256B.1974 is increased as the result of an increase to the federal medical assistance percentage, the commissioner must reduce the assessment on a uniform percentage basis across eligible hospitals on which the assessment is imposed, such that the aggregate amount collected from hospitals under this subdivision does not exceed the total amount needed to maintain the same aggregate state and federal funding level for the directed payments authorized by section 256B.1974.

(q) Eligible hospitals must submit to the commissioner on an annual basis, in the form and manner specified by the commissioner in consultation with the Minnesota Hospital Association, all documentation necessary to determine the assessment amounts under this subdivision.

EFFECTIVE DATE. This section is effective upon the date that Laws 2025, First Special Session chapter 3, article 8, section 4, becomes effective.

Sec. 3. Minnesota Statutes 2025 Supplement, section 256.969, subdivision 2f, is amended to read:

Subd. 2f. **Alternate inpatient payment rate.** (a) Effective January 1, 2022, for a hospital eligible to receive disproportionate share hospital payments under subdivision 9, paragraph (d), clause (6), the commissioner shall reduce the amount calculated under subdivision 9, paragraph (d), clause (6), by ~~99~~ one percent and compute an alternate inpatient payment rate. The alternate payment rate shall be structured to target a total aggregate reimbursement amount equal to what the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received the entire amount calculated under subdivision 9, paragraph (d), clause (6). This paragraph expires when paragraph (b) becomes effective.

(b) For hospitals eligible to receive payment under section 256B.1973 or 256B.1974 and meeting the criteria in subdivision 9, paragraph (d), the commissioner ~~must~~ may reduce the amount calculated under subdivision 9, paragraph (d), by one percent and compute an alternate inpatient payment rate. The alternate payment rate must be structured to target a total aggregate reimbursement amount equal to the amount that the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received 99 percent of the entire amount calculated under subdivision 9, paragraph (d). Hospitals that do not meet federal requirements for Medicaid disproportionate share hospitals are not eligible for the alternate payment rate.

EFFECTIVE DATE. This section is effective upon the date that Laws 2025, First Special Session chapter 3, article 8, section 5, becomes effective.

Sec. 4. Minnesota Statutes 2024, section 256B.04, subdivision 27, is amended to read:

Subd. 27. **Disenrollment under medical assistance and MinnesotaCare.** (a) The commissioner shall regularly obtain and use information from reliable data sources, including but not limited to managed care and county-based purchasing plans, state health and human services programs, mail returned by the United States Postal Service with a forwarding address, and the National Change of Address database maintained by the United States Postal Service, to update mailing addresses and other contact information for medical assistance and MinnesotaCare enrollees ~~in cases of returned mail and nonresponse using information available through managed care and county-based purchasing plans, state health and human services programs, and other sources.~~

(b) The commissioner shall not disenroll an individual from medical assistance or MinnesotaCare in cases of returned mail until the commissioner makes at least two attempts by phone, email, or other methods to contact the individual. The commissioner may disenroll the individual after providing no less than 30 days for the individual to respond to the most recent contact attempt.

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

Sec. 5. Minnesota Statutes 2024, section 256B.056, subdivision 2a, is amended to read:

Subd. 2a. **Home equity limit for medical assistance payment of long-term care services.** (a) Effective for requests of medical assistance payment of long-term care services filed on or after July 1, 2006, and for renewals on or after July 1, 2006, for persons who received payment of long-term care services under a request filed on or after

January 1, 2006, the equity interest in the home of a person whose eligibility for long-term care services is determined on or after January 1, 2006, shall not exceed \$500,000, unless it is the lawful residence of the person's spouse or child who is under age 21, or a child of any age who is blind or permanently and totally disabled as defined in the Supplemental Security Income program. The amount specified in this paragraph shall be increased beginning in year 2011, from year to year based on the percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average), rounded to the nearest \$1,000.

(b) Effective January 1, 2028, the amount specified in paragraph (a) must not exceed \$1,000,000.

~~(b)~~ (c) For purposes of this subdivision, a "home" means any real or personal property interest, including an interest in an agricultural homestead as defined under section 273.124, subdivision 1, that, at the time of the request for medical assistance payment of long-term care services, is the primary dwelling of the person or was the primary dwelling of the person before receipt of long-term care services began outside of the home.

~~(c)~~ (d) A person denied or terminated from medical assistance payment of long-term care services because the person's home equity exceeds the home equity limit may seek a waiver based upon a hardship by filing a written request with the county agency. Hardship is an imminent threat to the person's health and well-being that is demonstrated by documentation of no alternatives for payment of long-term care services. The county agency shall make a decision regarding the written request to waive the home equity limit within 30 days if all necessary information has been provided. The county agency shall send the person and the person's representative a written notice of decision on the request for a demonstrated hardship waiver that also advises the person of appeal rights under the fair hearing process of section 256.045.

Sec. 6. Minnesota Statutes 2024, section 256B.056, subdivision 3d, is amended to read:

Subd. 3d. **Reduction of excess assets.** Assets in excess of the limits in subdivisions 3 to 3c may be reduced to allowable limits as follows:

(a) Assets may be reduced in ~~any of the three~~ either one or two calendar months before the month of application in which the applicant seeks coverage, according to the applicant's retroactive eligibility under section 256B.061 by paying bills for health services that are incurred in the retroactive period for which the applicant seeks eligibility, starting with the oldest bill. After assets are reduced to allowable limits, eligibility begins with the next dollar of MA-covered health services incurred in the retroactive period. Applicants reducing assets under this subdivision who also have excess income shall first spend excess assets to pay health service bills and may meet the income spenddown on remaining bills.

(b) Assets may be reduced beginning the month of application by paying bills for health services that are incurred during the period specified in Minnesota Rules, part 9505.0090, subpart 2, that would otherwise be paid by medical assistance. After assets are reduced to allowable limits, eligibility begins with the next dollar of medical assistance covered health services incurred in the period. Applicants reducing assets under this subdivision who also have excess income shall first spend excess assets to pay health service bills and may meet the income spenddown on remaining bills.

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

Sec. 7. Minnesota Statutes 2024, section 256B.056, subdivision 7, is amended to read:

Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application and for ~~three~~

(1) one month prior to application for an individual eligible under section 256B.055, subdivision 15, if the individual was eligible in the prior month; or

(2) two months prior to application for all other eligible individuals if the ~~person~~ individual was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(b) Notwithstanding any other law to the contrary:

(1) a child under 19 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months;

(2) a child 19 years of age and older but under 21 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months; and

(3) a child under six years of age who is determined eligible for medical assistance must remain eligible through the month in which the child reaches six years of age.

(c) A child's eligibility under paragraph (b) may be terminated earlier if:

(1) the child or the child's representative requests voluntary termination of eligibility;

(2) the child ceases to be a resident of this state;

(3) the child dies;

(4) the child attains the maximum age; or

(5) the agency determines eligibility was erroneously granted at the most recent eligibility determination due to agency error or fraud, abuse, or perjury attributed to the child or the child's representative.

(d) For ~~a person~~ an individual eligible for an insurance affordability program as defined in section 256B.02, subdivision 19, who reports a change that makes the ~~person~~ individual eligible for medical assistance, eligibility is available for the month the change was reported and for ~~three~~ one month prior to the month the change was reported for an individual eligible under section 256B.055, subdivision 15, or two months prior to the month the change was reported; for all other eligible individuals if the ~~person~~ individual was eligible in ~~those~~ the prior month or months.

(e) The period of eligibility for an individual eligible for medical assistance under section 256B.055, subdivision 15, is six months. The period of eligibility for all other medical assistance enrollees is 12 months.

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

Sec. 8. Minnesota Statutes 2024, section 256B.056, subdivision 7a, is amended to read:

Subd. 7a. **Periodic renewal of eligibility.** (a) Except as provided in paragraphs (d) and (e), the commissioner shall make an annual redetermination of eligibility based on information contained in the enrollee's case file and other information available to the agency, including but not limited to information accessed through an electronic database, without requiring the enrollee to submit any information when sufficient data is available for the agency to renew eligibility.

(b) If the commissioner cannot renew eligibility in accordance with paragraph (a), the commissioner must provide the enrollee with a prepopulated renewal form containing eligibility information available to the agency and permit the enrollee to submit the form with any corrections or additional information to the agency and sign the renewal form via any of the modes of submission specified in section 256B.04, subdivision 18.

(c) An enrollee who is terminated for failure to complete the renewal process may subsequently submit the renewal form and required information within four months after the date of termination and have coverage reinstated without a lapse, if otherwise eligible under this chapter. The local agency may close the enrollee's case file if the required information is not submitted within four months of termination.

(d) Notwithstanding paragraph (a), a person who is eligible under subdivision 5 ~~shall be~~ is subject to a review of the person's income every six months.

(e) Notwithstanding paragraph (a), a person who is eligible under section 256B.055, subdivision 15, and who is not an American Indian or Alaska Native is subject to redetermination of eligibility every six months.

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

Sec. 9. Minnesota Statutes 2024, section 256B.0561, subdivision 2, is amended to read:

Subd. 2. **Periodic data matching.** (a) The commissioner shall conduct periodic data matching to identify recipients who, based on available electronic data, may not meet eligibility criteria for the public health care program in which the recipient is enrolled. The commissioner shall conduct data matching for medical assistance or MinnesotaCare recipients at least once during a recipient's ~~12-month~~ period of eligibility, except as provided in paragraph (f).

(b) If data matching indicates a recipient may no longer qualify for medical assistance or MinnesotaCare, the commissioner must notify the recipient and allow the recipient no more than 30 days to confirm the information obtained through the periodic data matching or provide a reasonable explanation for the discrepancy to the state or county agency directly responsible for the recipient's case. If a recipient does not respond within the advance notice period or does not respond with information that demonstrates eligibility or provides a reasonable explanation for the discrepancy within the 30-day time period, the commissioner shall terminate the recipient's eligibility in the manner provided for by the laws and regulations governing the health care program for which the recipient has been identified as being ineligible.

(c) The commissioner shall not terminate eligibility for a recipient who is cooperating with the requirements of paragraph (b) and needs additional time to provide information in response to the notification.

(d) A recipient whose eligibility was terminated according to paragraph (b) may be eligible for medical assistance no earlier than the first day of the month in which the recipient provides information that demonstrates the recipient's eligibility.

(e) Any termination of eligibility for benefits under this section may be appealed as provided for in sections 256.045 to 256.0451, and the laws governing the health care programs for which eligibility is terminated.

(f) Effective January 1, 2027, an individual who is subject to a redetermination of eligibility every six months under section 256B.056, subdivision 7a, paragraph (e), is exempt from periodic data matching under this subdivision.

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

Sec. 10. **[256B.0562] WORK OR COMMUNITY ENGAGEMENT REQUIREMENTS.**

Subdivision 1. **Demonstrating work or community engagement.** (a) To be eligible for medical assistance, an applicable individual must either demonstrate compliance with the work or community engagement requirements or qualify for an exemption from the requirements under this section. For purposes of this section, "applicable individual" means an individual eligible for medical assistance under section 256B.055, subdivision 15.

(b) An applicant must meet the requirements of this section for the 45 days immediately preceding the month during which the applicant submits an application for medical assistance.

(c) To renew eligibility under section 256B.056, subdivision 7a, an enrollee must meet the requirements of this section for at least 45 days during the enrollee's six-month period of eligibility.

(d) To comply with the work or community engagement requirements in a given month, an applicable individual must do one or more of the following:

(1) work at least 80 hours;

(2) complete at least 80 hours of community service;

(3) participate in a work program, as defined in United States Code, title 7, section 2015(o)(1), for at least 80 hours;

(4) be enrolled at least half-time in an educational program, including but not limited to an institution of higher education and a program of career and technical education;

(5) engage in any combination of the activities described in clauses (1) to (4) for a total of at least 80 hours;

(6) have a monthly income that is equal to or greater than the federal minimum wage multiplied by 80 hours; or

(7) have had an average monthly income over the preceding six months that is equal to or greater than the federal minimum wage multiplied by 80 hours, and be a seasonal worker, as defined under United States Code, title 26, section 45R(d)(5)(B).

Subd. 2. Exemptions. (a) An applicable individual is not subject to the work or community engagement requirements for part or all of a month in which the applicable individual is:

(1) an American Indian or Alaska Native;

(2) a parent, guardian, caretaker relative, or family caregiver, as defined in section 2 of the RAISE Family Caregivers Act, Public Law 115-119, as amended, of an individual with a disability;

(3) a veteran with a disability rated as total under United States Code, title 38, section 1155;

(4) receiving benefits under the Minnesota family investment program under chapter 142G and meeting the work activity and participation requirements under chapter 142G;

(5) a member of a household that receives Supplemental Nutrition Assistance Program (SNAP) benefits under the federal Food and Nutrition Act of 2008, Public Law 88-525, as amended, and is not exempt from a work requirement under the act;

(6) a participant in a drug addiction or alcohol treatment and rehabilitation program, as defined under United States Code, title 7, section 2012;

(7) incarcerated;

(8) pregnant or entitled to postpartum medical assistance; or

(9) is medically frail or otherwise has special medical needs, in accordance with guidance issued by the United States Department of Health and Human Services. This includes but is not limited to an individual who: is blind or has a disability; has a substance use disorder; has a disabling mental disorder; has a physical, intellectual, or developmental disability that significantly impairs the individual's ability to perform one or more activities of daily living; or has a serious or complex medical condition.

(b) The commissioner must develop standard processes for an individual to request and verify that they meet an exemption from the work or community engagement requirements on the basis of being medically frail or otherwise having special medical needs.

(c) Enrollees who are exempt from the work or community engagement requirements under this subdivision must report any changes related to the enrollee's exemption status within ten days of the change to the county agency. The agency must redetermine eligibility for the exemption when a change in exemption status is reported and at the time of the enrollee's renewal.

Subd. 3. **Short-term hardship exemption.** (a) The commissioner must deem an applicable individual as meeting the work or community engagement requirements for a given month if for part or all of the month the applicable individual:

(1) requests an exemption on the basis of receiving inpatient hospital services, nursing facility services, services in an intermediate care facility for persons with developmental disabilities, inpatient psychiatric hospital services, or such other services of similar acuity, including but not limited to outpatient care relating to the above-listed services, in accordance with guidance issued by the United States Department of Health and Human Services;

(2) requests an exemption on the basis of having to travel outside of the individual's community for an extended period of time to receive medical services necessary to treat a serious or complex medical condition, either for the individual or the individual's dependent, when the services are not available in the individual's community of residence;

(3) resides in a county or equivalent unit of local government in which an emergency or disaster has been declared under the National Emergencies Act, Public Law 94-412, as amended, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended; or

(4) resides in a county or equivalent unit of local government that has an unemployment rate that is at or above the lesser of eight percent or 1.5 times the national unemployment rate, and for which the United States Department of Health and Human Services has granted an exception based on a request from the commissioner.

(b) The commissioner must grant short-term hardship exemptions required under this subdivision in accordance with standards specified by the United States Department of Health and Human Services.

Subd. 4. **Determining and verifying compliance.** (a) The commissioner must determine whether an individual is subject to, compliant with, or exempt from the work or community engagement requirements using processes established by the commissioner that rely on information available to the commissioner through electronic data sources. The commissioner must not request additional information or documentation from an applicable individual unless the commissioner is unable to make a determination using the information available to the commissioner.

(b) The commissioner is prohibited from relying on managed care plans, county-based purchasing plans, or contractors with direct or indirect financial relationships with managed care or county-based purchasing plans to make determinations about whether an individual is subject to, compliant with, or exempt from the work or community engagement requirements.

Subd. 5. **Failure to satisfy work or community engagement requirements.** (a) If the commissioner cannot establish an applicable individual's compliance with or exemption from the work or community engagement requirements, the commissioner must provide notice of noncompliance and allow the applicant or beneficiary 30 calendar days from the date the notice is received to demonstrate compliance with or exemption from the requirements. The notice must include:

(1) information about how to demonstrate compliance with or exemption from the requirements; and

(2) information about how to reapply for medical assistance if the individual's application is denied or if the beneficiary is disenrolled.

(b) An enrolled beneficiary continues to be eligible for medical assistance during the 30-day period under paragraph (a).

(c) If the commissioner determines that an individual is subject to but not compliant with the work or community engagement requirements after the 30-day period, the commissioner must:

(1) determine whether the individual has any other basis for eligibility for medical assistance or another insurance affordability program;

(2) provide written notice and fair hearing rights in accordance with Code of Federal Regulations, title 42, part 431, subpart E; and

(3) if there is no other basis for medical assistance eligibility, deny the application or terminate eligibility by the end of the month that follows the 30-day period.

Subd. 6. **Outreach to applicable individuals.** (a) By September 1, 2026, the commissioner must notify medical assistance enrollees who may be applicable individuals about the work or community engagement requirements.

(b) Beginning January 1, 2027, the commissioner must semiannually notify medical assistance enrollees who may be applicable individuals about the work or community engagement requirements.

(c) The notifications required under this subdivision must include, at a minimum:

(1) information about how to comply with the requirements;

(2) an explanation of who is considered an applicable individual;

(3) the list of exemptions from the requirements and how to obtain an exemption from the requirements;

(4) information about how to report a change in status that could result in the individual qualifying for an exemption, meeting an exemption, or being subject to the requirements after an exemption ends; and

(5) information about the consequences of not complying with the requirements.

(d) The commissioner must provide the notices required under this subdivision by mail or an electronic format, if elected by the individual, and one or more additional formats deemed appropriate by the United States Department of Health and Human Services.

Subd. 7. **Additional requirements for the commissioner.** The commissioner, in collaboration with county agencies, must implement strategies to assist applicable individuals in meeting the work or community engagement requirements and link applicable individuals to additional resources for job training or other employment services, child care assistance, transportation, or other supports to help applicable individuals prepare for work, maintain employment, or increase earnings.

Sec. 11. **[256B.0563] REVIEW OF DEATH MASTER FILE.**

Subdivision 1. **Definition.** For purposes of this section, "death master file" means information about deceased individuals maintained by the Social Security Administration under United States Code, title 42, section 1306c(d), or any successor system.

Subd. 2. **Review of the death master file.** (a) Beginning January 1, 2027, the commissioner must review the death master file at least quarterly to identify any medical assistance recipients who are deceased.

(b) If review of the death master file or any other source indicates that a recipient is deceased, the commissioner must:

(1) terminate the recipient's eligibility for medical assistance in the manner provided for by the laws and regulations governing medical assistance;

(2) notify the recipient and the recipient's representative no later than the date of the termination; and

(3) discontinue any payments to providers under this chapter made on behalf of the recipient as of the date of the termination.

(c) If the commissioner determines that a recipient was misidentified as deceased and erroneously disenrolled from medical assistance based on information obtained from the death master file or any other source, the commissioner must immediately re-enroll the individual in medical assistance retroactive to the date of termination under paragraph (b).

Subd. 3. **Review of other sources.** Nothing in this section prevents the commissioner from reviewing other sources to identify recipients of medical assistance who are deceased, provided the commissioner is in compliance with this section and all other requirements under this chapter related to medical assistance eligibility determination and redetermination.

Sec. 12. Minnesota Statutes 2024, section 256B.06, subdivision 4, is amended to read:

Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited to citizens of the United States, qualified noncitizens as defined in this subdivision, and other persons residing lawfully in the United States as described in this subdivision. Citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) "Qualified noncitizen" means a person who meets one of the following immigration criteria:

(1) admitted for lawful permanent residence according to United States Code, title 8;

(2) admitted to the United States as a refugee according to United States Code, title 8, section 1157;

(3) granted asylum according to United States Code, title 8, section 1158;

(4) granted withholding of deportation according to United States Code, title 8, section 1253(h);

(5) paroled for a period of at least one year according to United States Code, title 8, section 1182(d)(5);

(6) granted conditional entrant status according to United States Code, title 8, section 1153(a)(7);

~~(7) determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;~~

~~(8) is a child of a noncitizen determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill, Public Law 104-200; or~~

~~(9) (2) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public Law 96-422, the Refugee Education Assistance Act of 1980; or~~

(3) lawfully resides in the United States in accordance with a Compact of Free Association under United States Code, title 8, section 1612(b)(2)(G).

(c) All qualified noncitizens who were residing in the United States before August 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation.

~~(d) Beginning December 1, 1996, qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter are eligible for medical assistance with federal participation for five years if they meet one of the following criteria:~~

~~(1) refugees admitted to the United States according to United States Code, title 8, section 1157;~~

~~(2) persons granted asylum according to United States Code, title 8, section 1158;~~

~~(3) persons granted withholding of deportation according to United States Code, title 8, section 1253(h);~~

~~(4) veterans of the United States armed forces with an honorable discharge for a reason other than noncitizen status, their spouses and unmarried minor dependent children; or~~

~~(5) persons on active duty in the United States armed forces, other than for training, their spouses and unmarried minor dependent children.~~

(d) Beginning July 1, 2010, children and pregnant women who are noncitizens described in paragraph (b) or who are lawfully present in the United States as defined in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation as provided by the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3.

(e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this subdivision, a "nonimmigrant" is a person in one of the classes listed in United States Code, title 8, section 1101(a)(15).

(f) Payment shall also be made for care and services that are furnished to noncitizens, regardless of immigration status, who otherwise meet the eligibility requirements of this chapter, if such care and services are necessary for the treatment of an emergency medical condition.

(g) For purposes of this subdivision, the term "emergency medical condition" means a medical condition that meets the requirements of United States Code, title 42, section 1396b(v).

(h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment of an emergency medical condition are limited to the following:

(i) services delivered in an emergency room or by an ambulance service licensed under chapter 144E that are directly related to the treatment of an emergency medical condition;

(ii) services delivered in an inpatient hospital setting following admission from an emergency room or clinic for an acute emergency condition; and

(iii) follow-up services that are directly related to the original service provided to treat the emergency medical condition and are covered by the global payment made to the provider.

(2) Services for the treatment of emergency medical conditions do not include:

(i) services delivered in an emergency room or inpatient setting to treat a nonemergency condition;

(ii) organ transplants, stem cell transplants, and related care;

(iii) services for routine prenatal care;

(iv) continuing care, including long-term care, nursing facility services, home health care, adult day care, day training, or supportive living services;

(v) elective surgery;

(vi) outpatient prescription drugs, unless the drugs are administered or dispensed as part of an emergency room visit;

(vii) preventative health care and family planning services;

(viii) rehabilitation services;

(ix) physical, occupational, or speech therapy;

(x) transportation services;

(xi) case management;

(xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

(xiii) dental services;

(xiv) hospice care;

(xv) audiology services and hearing aids;

(xvi) podiatry services;

(xvii) chiropractic services;

- (xviii) immunizations;
- (xix) vision services and eyeglasses;
- (xx) waiver services;
- (xxi) individualized education programs; or
- (xxii) substance use disorder treatment.

(i) Pregnant noncitizens who are ineligible for federally funded medical assistance because of immigration status, are not covered by a group health plan or health insurance coverage according to Code of Federal Regulations, title 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance through the period of pregnancy, including labor and delivery, and 12 months postpartum.

(j) Beginning October 1, 2003, persons who are receiving care and rehabilitation services from a nonprofit center established to serve victims of torture and are otherwise ineligible for medical assistance under this chapter are eligible for medical assistance without federal financial participation. These individuals are eligible only for the period during which they are receiving services from the center. Individuals eligible under this paragraph shall not be required to participate in prepaid medical assistance. The nonprofit center referenced under this paragraph may establish itself as a provider of mental health targeted case management services through a county contract under section 256.0112, subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its service area, then, notwithstanding the requirements of section 256B.0625, subdivision 20, the commissioner may negotiate a contract with the nonprofit center for provision of mental health targeted case management services. When serving clients who are not the financial responsibility of their contracted lead county, the nonprofit center must gain the concurrence of the county of financial responsibility prior to providing mental health targeted case management services for those clients.

(k) Notwithstanding paragraph (h), clause (2), the following services are covered as emergency medical conditions under paragraph (f) except where coverage is prohibited under federal law for services under clauses (1) and (2):

- (1) dialysis services provided in a hospital or freestanding dialysis facility;
- (2) surgery and the administration of chemotherapy, radiation, and related services necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and requires surgery, chemotherapy, or radiation treatment; and
- (3) kidney transplant if the person has been diagnosed with end stage renal disease, is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

(l) Effective July 1, 2013, recipients of emergency medical assistance under this subdivision are eligible for coverage of the elderly waiver services provided under chapter 256S, and coverage of rehabilitative services provided in a nursing facility. The age limit for elderly waiver services does not apply. In order to qualify for coverage, a recipient of emergency medical assistance is subject to the assessment and reassessment requirements of section 256B.0911. Initial and continued enrollment under this paragraph is subject to the limits of available funding.

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

Sec. 13. Minnesota Statutes 2024, section 256B.061, is amended to read:

256B.061 ELIGIBILITY; RETROACTIVE EFFECT; RESTRICTIONS.

(a) If any individual has been determined to be eligible for medical assistance under section 256B.055, subdivision 15, it will be made available for care and services included under the plan and furnished in or after the ~~third~~ first month before the month in which the individual made application for such assistance; if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished. If any individual has been determined to be eligible for medical assistance under any other section, it will be made available for care and services included under the plan and furnished in or after the second month before the month in which the individual made application for such assistance if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished.

(b) The commissioner may limit, restrict, or suspend the eligibility of an individual for up to one year upon that individual's conviction of a criminal offense related to application for or receipt of medical assistance benefits.

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

Sec. 14. Minnesota Statutes 2024, section 256B.0631, subdivision 1a, is amended to read:

Subd. 1a. **Prohibition on cost-sharing and deductibles.** ~~Effective January 1, 2024~~ Except for recipients eligible under section 256B.055, subdivision 15, the medical assistance benefit plan must not include cost-sharing or deductibles for any medical assistance recipient or benefit.

Sec. 15. Minnesota Statutes 2024, section 256B.0631, is amended by adding a subdivision to read:

Subd. 5. **Cost sharing.** (a) Effective for services provided on or after October 1, 2028, except as provided in subdivision 6, the medical assistance benefit plan includes the following cost sharing for recipients eligible under section 256B.055, subdivision 15, with income above 100 percent of the federal poverty level:

(1) \$3 per nonpreventive visit, except as provided in paragraph (c). For purposes of this subdivision, a visit means an episode of service that is required because of a recipient's symptoms, diagnosis, or established illness, and that is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3.50 for nonemergency visits to a hospital-based emergency room; and

(3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per prescription for a brand-name multisource drug listed in preferred status on the preferred drug list, subject to a \$12 maximum per month for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.

(b) Cost sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

(c) A person eligible for medical assistance under section 256B.055, subdivision 15, is responsible for all co-payments and deductibles in this subdivision.

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

Sec. 16. Minnesota Statutes 2024, section 256B.0631, is amended by adding a subdivision to read:

Subd. 6. **Exceptions.** Co-payments and deductibles are subject to the exceptions and limits required by section 71120 of the One Big Beautiful Bill Act, Public Law 119-21.

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

Sec. 17. Minnesota Statutes 2024, section 256B.0631, is amended by adding a subdivision to read:

Subd. 7. **Collection.** (a) The medical assistance reimbursement to the provider must be reduced by the amount of the co-payment or deductible, except that reimbursements must not be reduced:

(1) once a recipient has reached the \$12 maximum per month for prescription drug co-payments; or

(2) for a recipient who has met the recipient's monthly five percent cost-sharing limit.

(b) The provider collects the co-payment or deductible from the recipient. Providers must not deny services to recipients who are unable to pay the co-payment or deductible.

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

Sec. 18. Minnesota Statutes 2025 Supplement, section 256B.1973, subdivision 9, is amended to read:

Subd. 9. Interaction with other directed payments. (a) An eligible provider under subdivision 3 may participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider participating in the hospital directed payment program must not receive a directed payment under this section for any provider classes paid via the hospital directed payment program. A hospital subject to this section must notify the commissioner in writing no later than 30 days after enactment of this subdivision of the hospital's intention to participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both.

(b) The election under this subdivision is a onetime election, except that if an eligible provider elects to participate in the hospital directed payment program, and the hospital directed payment program expires or is not federally approved, the eligible provider may subsequently elect to participate in the directed payment under this section.

(c) If an eligible provider elects not to participate in the hospital directed payment program under section 256B.1974 and the federal statutes or regulations related to hospital directed payment programs are subsequently substantially changed, the eligible provider may elect to participate in the hospital directed payment program under section 256B.1974.

(d) The effective date of the election to participate in the hospital directed payment program under this section must align with the beginning of the calendar year in which payment rates under this section are updated. The eligible provider must notify the commissioner of the eligible provider's intention to make the election ten months before the effective date of the election.

Sec. 19. Minnesota Statutes 2024, section 256L.04, subdivision 14, is amended to read:

Subd. 14. Coordination with medical assistance. (a) Individuals eligible for medical assistance under chapter 256B are not eligible for MinnesotaCare under this section.

(b) Individuals denied or disenrolled from medical assistance for failure to comply with the eligibility requirements of section 256B.0562 are not eligible for MinnesotaCare under this section.

~~(b)~~ (c) The commissioner shall coordinate eligibility and coverage to ensure that individuals transitioning between medical assistance and MinnesotaCare have seamless eligibility and access to health care services.

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

Sec. 20. Minnesota Statutes 2025 Supplement, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
- (4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;
- (5) human rights agencies within Minnesota that have enforcement powers;
- (6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;
- (7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (8) the Department of Labor and Industry, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;
- (9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;
- (10) the Department of Human Services for the purpose of evaluating medical assistance services ~~and~~, supporting program improvement, and administering section 256B.0562;
- (11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;

(18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System;

(19) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B; and

(20) the executive director or interim executive director of the Minnesota Secure Choice Retirement Program established under chapter 187 for the purposes of assisting with communication with employers and to verify employer compliance with chapter 187.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 21. Minnesota Statutes 2024, section 268.19, subdivision 1a, is amended to read:

Subd. 1a. **Wage detail data.** (a) Wage and employment data gathered under section 268.044 may be disseminated to and used, without the consent of the subject of the data, by an agency of another state that is designated as the performance accountability and consumer information agency for that state under Code of Federal Regulations, volume 20, part 663.510(c), in order to carry out the requirements of the Workforce Investment Act of 1998, United States Code, title 29, sections 2842 and 2871.

(b) The commissioner may enter into a data exchange agreement with an employment and training service provider under section 116L.17, or the Workforce Investment Act of 1998, United States Code, title 29, section 2864, under which the commissioner, with the consent of the subject of the data, may furnish data on the quarterly wages paid and number of hours worked on those individuals who have received employment and training services

from the provider. With the initial consent of the subject of the data, this data may be shared for up to three years after termination of the employment and training services provided to the individual without execution of an additional consent. This data is furnished solely for the purpose of evaluating the employment and training services provided. The data subject's ability to receive service is not affected by a refusal to give consent under this paragraph. The consent form must state this fact.

(c) Wage and employment data gathered under section 268.044 may be disseminated to and used by the commissioner of human services for the purpose of administering section 256B.0562 without the consent of the subject of the data.

Sec. 22. Minnesota Statutes 2025 Supplement, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to commissioner of human services.** (a) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(b) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the Social Security or individual taxpayer identification numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.71, with those of property tax refund filers under chapter 290A or renter's credit filers under section 290.0693, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(c) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Centers for Medicare and Medicaid Services section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(d) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(e) The commissioner may disclose information to the commissioner of human services as necessary for income verification for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical assistance program under chapter 256B.

(f) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for general assistance and the Minnesota supplemental aid program have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

(g) At the request of the commissioner of human services and when authorized in writing by the taxpayer, the commissioner of revenue may match the business legal name or individual legal name, and the Minnesota tax identification number, federal Employer Identification Number, or Social Security number of the applicant under section 142C.03; 245A.04, subdivision 1; or 245I.20; or license or certification holder. The commissioner of revenue may share the matching with the commissioner of human services. The matching may only be used by the commissioner of human services to determine eligibility for provider grant programs and to facilitate the regulatory oversight of license and certification holders as it relates to ownership and public funds program integrity. This paragraph applies only if the commissioner of human services and the commissioner of revenue enter into an interagency agreement for the purposes of this paragraph.

(h) The commissioner may disclose return information to the commissioner of human services for the purpose of administering section 256B.0562.

Sec. 23. Minnesota Statutes 2024, section 295.52, subdivision 8, is amended to read:

Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year, beginning in 2011, the commissioner of management and budget shall determine the projected balance in the health care access fund for the biennium.

(b) If the commissioner of management and budget determines that the projected balance in the health care access fund for the biennium reflects a ratio of revenues to expenditures and transfers greater than 125 percent, and if the actual cash balance in the fund is adequate, as determined by the commissioner of management and budget, the commissioner, in consultation with the ~~commissioner~~ commissioners of revenue and human services, shall reduce the tax rates levied under subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar year sufficient to reduce the structural balance in the fund. The rate may be reduced to the extent that the projected revenues for the biennium do not exceed 125 percent of expenditures and transfers. The new rate shall be rounded to the nearest one-tenth of one percent. The rate reduction under this paragraph expires at the end of each calendar year and is subject to an annual redetermination by the commissioner of management and budget.

(c) For purposes of the analysis defined in paragraph (b), the commissioner of management and budget shall include projected revenues.

Sec. 24. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; NOTIFICATION TO MEDICAL ASSISTANCE RECIPIENTS.**

By October 1, 2026, the commissioner of human services must notify medical assistance recipients who are enrolled under Minnesota Statutes, section 256B.055, subdivision 15, that they may be eligible for medical assistance under a disability determination. The notification must include information about how the recipient can request a determination of disability and an explanation about the changes to medical assistance eligibility that go into effect January 1, 2027.

ARTICLE 4
HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES FORECAST ADJUSTMENTS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 20, and Laws 2025, First Special Session chapter 9, article 12, to the commissioner of human services from the general fund or other named fund for the purposes specified in section 2 and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2026</u>		<u>2027</u>

Sec. 2. **COMMISSIONER OF HUMAN SERVICES.**

Subdivision 1. <u>Total Appropriation</u>	<u>\$739,634,000</u>	<u>\$775,035,000</u>
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Appropriations by Fund

<u>General Fund</u>	<u>652,953,000</u>	<u>615,407,000</u>
<u>Health Care Access Fund</u>	<u>86,681,000</u>	<u>159,628,000</u>

Subd. 2. Forecasted Programs

(a) <u>General Assistance</u>	<u>7,909,000</u>	<u>9,653,000</u>
(b) <u>Minnesota Supplemental Aid</u>	<u>2,976,000</u>	<u>3,233,000</u>
(c) <u>Housing Support</u>	<u>29,593,000</u>	<u>44,727,000</u>
(d) <u>MinnesotaCare</u>	<u>86,681,000</u>	<u>159,628,000</u>

These appropriations are from the health care access fund.

(e) <u>Medical Assistance</u>	<u>589,777,000</u>	<u>525,140,000</u>
(f) <u>Behavioral Health Fund</u>	<u>22,698,000</u>	<u>32,654,000</u>

Sec. 3. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 5
CHILDREN, YOUTH, AND FAMILIES FORECAST ADJUSTMENTS

Section 1. CHILDREN, YOUTH, AND FAMILIES FORECAST ADJUSTMENTS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 22, to the commissioner of children, youth, and families from the general fund or other named fund for the purposes specified in section 2 and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2026</u>		<u>2027</u>

Sec. 2. COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES.

<u>Subdivision 1. Total Appropriation</u>	<u>\$(45,161,000)</u>	<u>\$(36,451,000)</u>
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Appropriations by Fund

<u>General Fund</u>	<u>(22,395,000)</u>	<u>(10,320,000)</u>
<u>Federal TANF</u>	<u>(22,766,000)</u>	<u>(26,131,000)</u>

Subd. 2. Forecasted Programs**(a) MFIP/DWP**Appropriations by Fund

General Fund	(7,245,000)	(3,125,000)
Federal TANF	(22,766,000)	(26,131,000)

(b) <u>MFIP Child Care Assistance</u>	(26,220,000)	(18,822,000)
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(c) <u>Northstar Care for Children</u>	11,070,000	11,627,000
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Sec. 3. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 6

DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS

Section 1. HUMAN SERVICES APPROPRIATIONS.

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 20, from the general fund or any fund named for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year
Ending June 30

<u>2026</u>	<u>2027</u>
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Sec. 2. <u>COMMISSIONER OF HUMAN SERVICES</u>	<u>\$-0-</u>	<u>\$3,026,000</u>
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The amounts that may be spent for each purpose are specified in this article.

Sec. 3. <u>CENTRAL OFFICE; OPERATIONS</u>	<u>\$-0-</u>	<u>\$1,046,000</u>
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Base Level Adjustment. The general fund base is increased by \$6,257,000 in fiscal year 2028 and increased by \$7,093,000 in fiscal year 2029.

Sec. 4. <u>CENTRAL OFFICE; HEALTH CARE</u>	<u>\$-0-</u>	<u>\$16,403,000</u>
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Base Level Adjustment. The general fund base is increased by \$16,838,000 in fiscal year 2028 and increased by \$17,350,000 in fiscal year 2029.

Sec. 5. **FORECASTED PROGRAMS; MEDICAL ASSISTANCE** **\$-0-** **\$(15,923,000)**

Base Level Adjustment. The general fund base is decreased by \$65,257,000 in fiscal year 2028 and decreased by \$70,977,000 in fiscal year 2029.

Sec. 6. **GRANT PROGRAMS; HEALTH CARE GRANTS** **\$-0-** **\$1,500,000**

Base Level Adjustment. The general fund base is increased by \$1,750,000 in fiscal year 2028 and increased by \$1,125,000 in fiscal year 2029.

Sec. 7. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language in this article expires June 30, 2027, unless a different expiration date is specified.

Sec. 8. **EFFECTIVE DATE.**

This article is effective July 1, 2026, unless a different effective date is specified.

ARTICLE 7
DEPARTMENT OF HEALTH APPROPRIATIONS

Section 1. **HEALTH APPROPRIATIONS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 21, from the general fund or any named fund and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2026</u>	<u>2027</u>
Sec. 2. <u>COMMISSIONER OF HEALTH</u>	<u>\$440,000</u>	<u>\$682,000</u>
<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>-0-</u>	<u>55,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>440,000</u>	<u>627,000</u>

The amounts that may be spent for each purpose are specified in this article.

Sec. 3. **HEALTH IMPROVEMENT**

Subdivision 1. **Total Appropriation**

\$440,000

\$682,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>-0-</u>	<u>55,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>440,000</u>	<u>627,000</u>

Subd. 2. **Licensing and Regulation of Health Maintenance Organizations**

\$440,000 in fiscal year 2026 and \$440,000 in fiscal year 2027 are from the state government special revenue fund for licensing and regulation of health maintenance organizations under Minnesota Statutes, chapter 62D. These appropriations are contingent on the commissioner of health retaining authority in fiscal year 2027 to license and regulate health maintenance organizations.

Subd. 3. **All-Payer Claims Database; Administration**

\$187,000 in fiscal year 2027 is from the state government special revenue fund for administering the all-payer claims database under Minnesota Statutes, section 62U.04. The state government special revenue fund base for this subdivision is increased by \$234,000 in fiscal year 2028 and increased by \$292,000 in fiscal year 2029.

Subd. 4. **All-Payer Claims Database; Data on Fully Denied Claims**

\$55,000 in fiscal year 2027 is from the general fund for the collection of data on fully denied claims according to Minnesota Statutes, section 62U.04, subdivision 4. This is a onetime appropriation.

Sec. 4. Laws 2025, First Special Session chapter 3, article 21, section 3, subdivision 2, is amended to read:

Subd. 2. **Substance Use Treatment, Recovery, and Prevention Grants**

\$3,000,000 in fiscal year 2026 and \$3,000,000 in fiscal year 2027 are from the general fund for substance use treatment, recovery, and prevention grants under Minnesota Statutes, section 342.72. The commissioner may use up to \$300,000 of this appropriation for administration.

Sec. 5. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires June 30, 2027, unless a different expiration date is specified.

Sec. 6. **EFFECTIVE DATE.**

This article is effective June 30, 2026, unless a different effective date is specified."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to health-related licensing boards, the Department of Health, directed payments, and medical assistance federal conformity; expanding allowable disclosures to commissioner of human services; establishing work or community engagement requirements; establishing fees; appropriating money; amending Minnesota Statutes 2024, sections 13.381, subdivision 20; 62U.04, subdivisions 4, 13, by adding a subdivision; 116J.035, by adding a subdivision; 144.1222, subdivision 4, by adding a subdivision; 144.1501, subdivision 2; 144.1503, subdivision 7; 144.1505, subdivisions 1, 2, 3; 144.1507, subdivisions 1, 2, 4, by adding a subdivision; 144.1911, subdivisions 1, 5, 6; 148.65, subdivisions 5, 6; 148.706, subdivisions 1, 2, 3; 149A.02, subdivision 26; 149A.20, subdivisions 6, 7; 149A.30, subdivision 1; 149A.91, subdivision 3; 149A.94, subdivision 1; 149A.955, subdivision 14; 151.74, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 13, 14; 151.741, subdivisions 1, 2; 256B.04, subdivision 27; 256B.056, subdivisions 2a, 3d, 7, 7a; 256B.0561, subdivision 2; 256B.06, subdivision 4; 256B.061; 256B.0631, subdivision 1a, by adding subdivisions; 256L.04, subdivision 14; 268.19, subdivision 1a; 295.52, subdivision 8; Minnesota Statutes 2025 Supplement, sections 144.125, subdivision 1; 151.741, subdivision 5; 256.9657, subdivision 2b; 256.969, subdivision 2f; 256B.1973, subdivision 9; 268.19, subdivision 1; 270B.14, subdivision 1; Laws 2025, First Special Session chapter 3, article 21, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2024, section 151.74, subdivision 15."

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. 4598, A bill for an act relating to labor and industry; modifying building code administration; amending Minnesota Statutes 2024, section 326B.107, subdivisions 2, 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 79.34, subdivision 3, is amended to read:

Subd. 3. **Withdrawal from association.** An insurer may withdraw from the reinsurance association only upon ceasing to be authorized by license issued by the commissioner of commerce to transact workers' compensation insurance in this state and when all workers' compensation insurance policies issued by such insurer have expired; a self-insurer may withdraw from the reinsurance association only upon ceasing to be approved to self-insure workers' compensation liability in this state pursuant to section 176.181.

An insurer or self-insurer which withdraws or whose membership in the reinsurance association is terminated shall continue to be bound by the plan of operation. Upon withdrawal or termination, all unpaid premiums which have been charged to the withdrawing or terminated member and any other outstanding amounts owed shall be payable as of the effective date of the withdrawal or termination.

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

Sec. 2. Minnesota Statutes 2024, section 79.34, subdivision 4, is amended to read:

Subd. 4. **Liabilities of insolvent members.** An unsatisfied net liability to the reinsurance association of an insolvent member shall be ~~assumed by and apportioned among the remaining members of the reinsurance association as provided in the plan of operation governed by the plan of operation effective at the time a member is declared insolvent by a state regulatory authority or a court of competent jurisdiction, whichever comes earlier.~~ The reinsurance association shall have all rights allowed by law on behalf of the remaining members against the estate or funds of the insolvent member for sums due the reinsurance association.

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

Sec. 3. Minnesota Statutes 2024, section 79.35, is amended to read:

79.35 DUTIES; RESPONSIBILITIES; POWERS.

The reinsurance association shall do the following on behalf of its members:

- (1) assume 100 percent of the liability as provided in section 79.34;
- (2) establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;
- (3) maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;
- (4) calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies. Each member shall be charged a premium established by the board as sufficient to cover the reinsurance association's incurred liabilities and expenses in excess of the member's selected retention limit. Each member shall be charged a proportion of the total premium calculated for its selected retention limit in an amount equal to its proportion of the exposure base of all members during the period to which the reinsurance association premium will apply. The exposure base shall be determined by the board and is subject to the approval of the commissioner of labor and industry. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement. ~~Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit.~~ The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner of labor and industry;
- (5) require and accept the payment of premiums from members of the reinsurance association;
- (6) receive and distribute all sums required by the operation of the reinsurance association;
- (7) establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another

person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association. The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; ~~and~~

(8) provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify;

(9) equitably distribute excess or deficient premiums from previous periods to members based on amounts determined by the board. All excess or deficient premiums shall be approved by the commissioner of labor and industry;

(10) distribute excess surplus as recommended by the board and approved by order of the commissioner of labor and industry consistent with section 79.362; and

(11) collect deficiency assessments as recommended by the board and approved by order of the commissioner of commerce consistent with section 79.362.

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

Sec. 4. Minnesota Statutes 2024, section 79.36, is amended to read:

79.36 ADDITIONAL POWERS.

In addition to the powers granted in section 79.35, the reinsurance association may do the following:

(1) sue and be sued. A judgment against the reinsurance association shall not create any direct liability against the individual members of the reinsurance association. The reinsurance association shall provide in the plan of operation for the indemnification, to the extent provided in the plan of operation, of the members, members of the board of directors of the reinsurance association, and officers, employees and other persons lawfully acting on behalf of the reinsurance association;

(2) reinsure all or any portion of its potential liability, ~~including potential liability in excess of the prefunded limit,~~ with reinsurers licensed to transact insurance in this state or otherwise approved by the commissioner of labor and industry;

(3) provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the reinsurance association;

(4) contract for goods and services, including but not limited to independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(5) adopt operating rules, consistent with the plan of operation, for the administration of the reinsurance association, enforce those operating rules, and delegate authority as necessary to assure the proper administration and operation of the reinsurance association;

(6) intervene in or prosecute at any time, including but not limited to intervention or prosecution as subrogee to the member's rights in a third-party action, any proceeding under this chapter or chapter 176 in which liability of the reinsurance association may, in the opinion of the board of directors of the reinsurance association or its designee, be established, or the reinsurance association affected in any other way;

(7) the net proceeds derived from intervention or prosecution of any subrogation interest, or other recovery, shall first be used to reimburse the reinsurance association for amounts paid or payable pursuant to this chapter, together with any expenses of recovery, including attorney's fees, and any excess shall be paid to the member or other person entitled thereto, as determined by the board of directors of the reinsurance association, unless otherwise ordered by a court;

(8) hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; and

(9) perform other acts not specifically enumerated in this section which are necessary or proper to accomplish the purposes of the reinsurance association and which are not inconsistent with sections 79.34 to 79.40 or the plan of operation.

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

Sec. 5. Minnesota Statutes 2024, section 79.362, is amended to read:

79.362 WORKERS' COMPENSATION REINSURANCE ASSOCIATION EXCESS SURPLUS DISTRIBUTION OR DEFICIENCY ASSESSMENT.

Subdivision 1. Scope. This section governs excess surplus distributions and deficiency assessment of the reinsurance association. An excess surplus distribution is not a distribution of excess premiums to members. The reinsurance association may not distribute excess surplus or assess members due to a deficiency except as provided for in this section. For purposes of this section, "insured employers" includes employers insured by insurer members and employers insured by the assigned risk plan.

Subd. 2. Declaration of distribution or assessment. (a) The board may declare an excess surplus distribution to self-insurer members and insured employers. The board shall determine the amount of excess surplus and set a timeline, a distribution rate for self-insurer members, and a distribution rate for insured employers as applied to the distribution exposure bases of self-insurer members and insured employers. The board shall notify the commissioner of labor and industry of the amount of excess surplus and recommended distribution rates and, if the commissioner is in agreement with the board's recommendation, the commissioner shall issue an order approving the recommended distribution.

(b) An order of the commissioner of ~~the Department of~~ labor and industry relating to the ~~distribution of~~ excess surplus distribution of the Workers' Compensation Reinsurance Association shall be reviewed by the commissioner of commerce. The commissioner of commerce may amend, approve, or reject an order or issue further orders to accomplish the purposes of this section ~~79.361 and Laws 1993, chapter 361, section 2.~~ The commissioner of commerce may not change the amount of the distribution ordered by the commissioner of labor and industry without agreement of the commissioner of labor and industry.

(c) If the board determines that an excess surplus distribution resulted in inadequate funds being available to pay claims that arose during the period upon which the distribution was calculated, the board shall determine the amount of the deficiency. The board shall notify the commissioner of commerce of the amount of deficiency and recommend assessment rates and the time period for an assessment for self-insurer members and insured employers. The commissioner of commerce shall order an assessment at the rates and for the time period necessary to eliminate the deficiency with consideration of potential financial hardship to employers. The assessment rates shall be applied to the exposure bases of self-insured employers and insured employers. All assessments under this section are payable to the association. The commissioner of commerce may issue orders necessary to administer this section.

Subd. 3. **Administration of distribution or assessment.** The reinsurance association may consider the actual and reasonable costs of distribution or assessment in determining the amount to be distributed or assessed. The excess surplus distribution or deficiency assessment may not be retroactive and applies only prospectively. Self-insurer members, insurer members, and the Minnesota Workers' Compensation Insurers Association must provide any information to the reinsurance association that the association determines necessary to administer this section. Any part of the excess surplus distribution not distributed within one year due to the inability to identify or locate insured employers remains with the reinsurance association and must not be distributed to its members.

Subd. 4. **Plan of operation.** The reinsurance association's plan of operation must provide the method for determining rates and exposure bases, the method for excess surplus distribution, and the method of collecting a deficiency assessment. For multiyear distributions or assessments, the exposure bases and rates shall be recalculated for each policy year of the excess surplus distribution or deficiency assessment.

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

Sec. 6. Minnesota Statutes 2024, section 79.38, subdivision 1, is amended to read:

Subdivision 1. **Provisions.** The plan of operation shall provide for all of the following:

- (a) the establishment of necessary facilities;
- (b) the management and operation of the reinsurance association;
- (c) a preliminary premium, payable by each member in proportion to its total premium in the year preceding the inauguration of the reinsurance association, for initial expenses necessary to commence operation of the reinsurance association;
- (d) procedures to be utilized in charging premiums, ~~including adjustments from excess or deficient premiums from prior periods;~~
- (e) procedures governing the actual payment of premiums to the reinsurance association;
- (f) reimbursement of each member of the board by the reinsurance association for actual and necessary expenses incurred on reinsurance association business;
- (g) the composition, terms, compensation and other necessary rules consistent with section 79.37 for boards of directors of the reinsurance association;
- (h) the investment policy of the reinsurance association; ~~and~~
- (i) the method for determining rates and exposure bases, the method for excess surplus distribution, and the method of collecting a deficiency assessment; and
- ~~(j)~~ (i) any other matters required by or necessary to effectively implement sections 79.34 to 79.40.

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

Sec. 7. Minnesota Statutes 2024, section 175A.05, is amended by adding a subdivision to read:

Subd. 4. **Active compensation judges.** If the number of Workers' Compensation Court of Appeals judges available to hear a case is insufficient to constitute a quorum and retired judges are not available to meet the quorum requirement, the chief judge of the Workers' Compensation Court of Appeals may, with the consent of the chief

judge of the Court of Administrative Hearings, assign an active compensation judge from that court to hear any case properly assigned to a judge of the Workers' Compensation Court of Appeals. The compensation judge assigned to the case may act on that case with the full powers of a judge of the Workers' Compensation Court of Appeals. A compensation judge performing this service shall receive pay and expenses, calculated on an hourly basis, in the amount and manner provided by law for judges serving on the Workers' Compensation Court of Appeals. This compensation will be paid as an adjustment to the judge's normal compensation from the Court of Administrative Hearings. The Workers' Compensation Court of Appeals will reimburse the Court of Administrative Hearings based on the number of hours spent performing this service and any other expenditures incurred.

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

Sec. 8. Minnesota Statutes 2024, section 176.011, subdivision 15, is amended to read:

Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental impairment as defined in paragraph (d) or physical disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting in physical injury shall remain compensable. Mental impairment is not considered a disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota State Patrol, conservation officer service, state crime bureau, as a forest officer by the Department of Natural Resources, correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility, or sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota State Patrol, conservation officer service, state crime bureau, Department of Natural Resources, Department of Corrections, or sheriff's department of any county, which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1; firefighter; paramedic; correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; emergency medical technician; or licensed nurse providing emergency medical care; and who contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment and the presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors which shall be used to rebut this presumption and which are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.

(d) For the purposes of this chapter, "mental impairment" means a diagnosis of post-traumatic stress disorder by a licensed psychiatrist ~~or~~ psychologist, or psychiatric mental health nurse practitioner. For the purposes of this chapter, "post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or more compensable mental impairment claims arising out of a single event or occurrence shall constitute a single loss occurrence.

(e) If, preceding the date of disablement or death, an employee who was employed on active duty as: a licensed police officer; a firefighter; a paramedic; an emergency medical technician; a licensed nurse employed to provide emergency medical services outside of a medical facility; a public safety dispatcher; a correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; a sheriff or full-time deputy sheriff of any county; or a member of the Minnesota State Patrol is diagnosed with a mental impairment as defined in paragraph (d), and had not been diagnosed with the mental impairment previously, then the mental impairment is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. This presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors that are used to rebut this presumption and that are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability. The mental impairment is not considered an occupational disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer.

EFFECTIVE DATE. This section is effective for dates of injury on or after October 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 176.081, subdivision 9, is amended to read:

Subd. 9. **Retainer agreement.** An attorney who is hired by an employee to provide legal services with respect to a claim for compensation made pursuant to this chapter shall prepare a retainer agreement in which the provisions of this section are specifically set out and provide a copy of this agreement to the employee. The retainer agreement shall provide a space for the signature of the employee. A signed agreement shall raise a conclusive presumption that the employee has read and understands the statutory fee provisions. No fee shall be awarded pursuant to this section in the absence of a signed retainer agreement.

The retainer agreement shall contain a notice to the employee regarding the maximum fee allowed under this section in ten-point type, which shall read:

Notice of Maximum Fee

The maximum fee allowed by law for legal services is 20 percent of the first ~~\$130,000~~ \$275,000 of compensation awarded to the employee subject to a cumulative maximum fee of ~~\$26,000~~ \$55,000 for fees related to the same injury.

The employee shall take notice that the employee is under no legal or moral obligation to pay any fee for legal services in excess of the foregoing maximum fee.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to dates of injury on or after October 1, 2024.

Sec. 10. Minnesota Statutes 2024, section 176.101, subdivision 2a, is amended to read:

Subd. 2a. **Permanent partial disability.** (a) Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. During the 2026 regular legislative session, and every even-year legislative session thereafter, the Workers' Compensation Advisory Council must consider whether the permanent partial disability schedule in paragraph (b) represents adequate compensation for permanent impairment.

(b) The percentage determined pursuant to the rules adopted under section 176.105 must be multiplied by the corresponding amount in the following table:

Impairment Rating (percent)	Amount
less than 5.5	<u>114,260</u>
	\$ <u>137,240</u>
5.5 to less than 10.5	<u>121,800</u>
	<u>146,297</u>
10.5 to less than 15.5	<u>129,485</u>
	<u>155,527</u>
15.5 to less than 20.5	<u>137,025</u>
	<u>164,584</u>
20.5 to less than 25.5	<u>139,720</u>
	<u>167,821</u>
25.5 to less than 30.5	<u>147,000</u>
	<u>176,565</u>
30.5 to less than 35.5	<u>150,150</u>
	<u>180,348</u>
35.5 to less than 40.5	<u>163,800</u>
	<u>196,744</u>
40.5 to less than 45.5	<u>177,450</u>
	<u>213,139</u>
45.5 to less than 50.5	<u>177,870</u>
	<u>213,643</u>
50.5 to less than 55.5	<u>181,965</u>
	<u>218,562</u>
55.5 to less than 60.5	<u>209,475</u>
	<u>251,605</u>
60.5 to less than 65.5	<u>237,090</u>
	<u>284,774</u>
65.5 to less than 70.5	<u>264,600</u>
	<u>317,817</u>
70.5 to less than 75.5	<u>292,215</u>
	<u>350,986</u>
75.5 to less than 80.5	<u>347,340</u>
	<u>417,197</u>
80.5 to less than 85.5	<u>402,465</u>
	<u>483,409</u>
85.5 to less than 90.5	<u>457,590</u>
	<u>549,621</u>
90.5 to less than 95.5	<u>512,715</u>
	<u>615,833</u>
95.5 up to and including 100	<u>567,840</u>
	<u>682,045</u>

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(c) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee requests payment in a lump sum, then the compensation must be paid within 30 days. This lump-sum payment may be discounted to the present value calculated up to a maximum five percent basis. If the employee does not choose to receive the compensation in a lump sum, then the compensation is payable in installments at the same intervals and in the same amount as the employee's temporary total disability rate on the date of injury. Permanent partial disability is not payable while temporary total compensation is being paid.

EFFECTIVE DATE. This section is effective for dates of injury on or after October 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 176.155, subdivision 1, is amended to read:

Subdivision 1. **Employer's physician.** (a) The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. Examinations shall not be conducted in hotel or motel facilities. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the office to order an examination at a location further from the employee's residence. The employee is entitled upon request to have a personal physician or unpaid witness present at any such examination. Each party shall defray the cost of that party's physician or witness.

(b) Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury or whether litigation is pending, must be served upon the employee and the attorney representing the employee, if any, no later than 14 calendar days within the issuance of the report or written statement.

(c) The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination.

(d) A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition. Any request for a good cause extension pursuant to paragraph (e) must be made within 120 days of service of the claim petition, except that a request may be made after 120 days of service of a claim petition in the following circumstances:

- (1) a change to the employee's claim regarding the nature and extent of the injury;
- (2) a change to the permanency benefits claimed by the employee, including a change in permanent partial disability percentage;
- (3) a new claim for indemnity benefits; or
- (4) the employment relationship is not admitted by the uninsured employer.

(e) No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge.

The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather additional information which was not included on the petition as required by section 176.291.

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

Sec. 12. Minnesota Statutes 2024, section 176.221, subdivision 1, is amended to read:

Subdivision 1. **Commencement of payment.** Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within 14 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner and served on the employee within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within ~~60~~ 90 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within ~~60~~ 90 days of notice or knowledge. After the ~~60-day~~ 90-day period, payment may be terminated only by the filing of a notice as provided under section 176.239. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail the facts forming the basis for the denial and specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

EFFECTIVE DATE. This section is effective for dates of injury on or after October 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 176.322, is amended to read:

176.322 DECISIONS BASED ON STIPULATED FACTS.

If the parties agree to a stipulated set of facts and only legal issues remain, the commissioner or compensation judge may determine the matter without a hearing based upon the stipulated facts and the determination is appealable to the court of appeals pursuant to sections 176.421 and 176.442. In any case where a stipulated set of facts has been submitted to the Court of Administrative Hearings pursuant to this section, upon receipt of the file or the stipulated set of facts the chief administrative law judge shall immediately assign the case to a compensation judge for a determination. The commissioner or compensation judge shall issue a determination within 60 days after receipt of the stipulated facts.

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

Sec. 14. **REPEALER.**

Minnesota Statutes 2024, sections 79.34, subdivision 2a; 79.361; and 79.363, are repealed."

Delete the title and insert:

"A bill for an act relating to workers' compensation; adopting 2026 recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections 79.34, subdivisions 3, 4; 79.35; 79.36; 79.362; 79.38, subdivision 1; 175A.05, by adding a subdivision; 176.011, subdivision 15; 176.081, subdivision 9; 176.101, subdivision 2a; 176.155, subdivision 1; 176.221, subdivision 1; 176.322; repealing Minnesota Statutes 2024, sections 79.34, subdivision 2a; 79.361; 79.363."

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 6, H. F. No. 4598 was referred to the Committee on Rules and Legislative Administration.

SECOND READING OF HOUSE BILLS

H. F. No. 3900 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 3622, 3637 and 4339 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Youakim; Clardy; Greene; Lee, K.; Rehm; Rehauer; Johnson, P.; Hill; Bahner; Virnig; Pérez-Vega and Sencer-Mura introduced:

H. F. No. 5018, A bill for an act relating to school safety; enhancing school safety plans; establishing an anonymous threat reporting system; modifying circumstances when firearms are permitted on school property; providing for additional student support personnel aid; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 121A.035; 609.66, subdivision 1d; Minnesota Statutes 2025 Supplement, section 124D.901, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

Youakim; Clardy; Greene; Lee, K.; Rehm; Rehrauer; Hill; Bahner; Virnig; Pérez-Vega and Sencer-Mura introduced:

H. F. No. 5019, A bill for an act relating to school safety; providing student and staff safety grants to schools; appropriating money.

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

Rehrauer introduced:

H. F. No. 5020, A bill for an act relating to local government; restricting local government regulations of certain residential developments by religious organizations; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 462.

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

Hill and Mekeland introduced:

H. F. No. 5021, A bill for an act relating to environment; requiring acceptance of best evidence to determine subsurface sewage treatment system compliance; amending Minnesota Statutes 2024, section 115.55, by adding a subdivision.

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

Feist, Agbaje, Fischer and Lee, X., introduced:

H. F. No. 5022, A bill for an act relating to insurance; requiring insurance companies to accept an individual taxpayer identification number on insurance coverage applications; amending Minnesota Statutes 2024, section 60A.07, by adding a subdivision.

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

Hussein and Pérez-Vega introduced:

H. F. No. 5023, A bill for an act relating to arts and culture; appropriating money for Capital City youth art and culture initiatives.

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

Hussein and Noor introduced:

H. F. No. 5024, A bill for an act relating to economic development; appropriating money for a grant to the African Development Center to provide forgivable loans to small businesses impacted by Operation Metro Surge; requiring a report.

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

Howard introduced:

H. F. No. 5025, A bill for an act relating to taxation; local government aids; allowing counties to spend housing aid payments on expenses of administering qualifying aid expenditures; amending Minnesota Statutes 2024, sections 477A.35, subdivision 4; 477A.36, subdivision 4.

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

Jones introduced:

H. F. No. 5026, A bill for an act relating to taxation; sales and use; creating an exemption for nonprofit carshare organizations; amending Minnesota Statutes 2024, section 297A.70, by adding a subdivision.

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

Anderson, P. E., and Hill introduced:

H. F. No. 5027, A bill for an act relating to transportation; appropriating money for improvements at the intersection of marked U.S. Highway 61 and Washington County State-Aid Highway 32 in the city of Forest Lake; 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.

Gander introduced:

H. F. No. 5028, A bill for an act relating to capital investment; appropriating money for municipal infrastructure supporting an industrial park in the city of East Grand Forks; authorizing the sale and issuance of state bonds.

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

Scott introduced:

H. F. No. 5029, A bill for an act relating to public safety; providing criminal penalties for bribing or corruptly influencing a juror; amending Minnesota Statutes 2024, section 609.425; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Robbins introduced:

H. F. No. 5030, A bill for an act relating to capital investment; modifying a prior appropriation for a railroad crossing in Hennepin County; amending Laws 2023, chapter 71, article 1, section 10, subdivision 9.

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

Davids introduced:

H. F. No. 5031, A bill for an act relating to retirement; creating a career rule for teachers aged 60 with 30 years of service; amending Minnesota Statutes 2025 Supplement, sections 126C.10, subdivision 37; 354.42, subdivision 3; 354.44, subdivision 6.

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

Torkelson introduced:

H. F. No. 5032, A bill for an act relating to capital investment; appropriating money for bridge restoration in the city of Redwood Falls; authorizing the sale and issuance of state bonds.

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

Torkelson introduced:

H. F. No. 5033, A bill for an act relating to capital investment; appropriating money for improvements at the Redwood Falls Municipal Airport; authorizing the sale and issuance of state bonds.

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

Fogelman introduced:

H. F. No. 5034, A bill for an act relating to taxation; income, corporate franchise, and insurance premiums; providing a credit for contributions to women's pregnancy centers; amending Minnesota Statutes 2024, section 297L.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Fogelman introduced:

H. F. No. 5035, A bill for an act relating to public safety; establishing the crime of disruption of worship services; amending Minnesota Statutes 2024, section 609.28, subdivision 3, by adding a subdivision.

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

Zeleznikar and Koznick introduced:

H. F. No. 5036, A bill for an act relating to transportation; appropriating money for improvements at the Duluth International Airport.

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

Van Binsbergen introduced:

H. F. No. 5037, A bill for an act relating to capital investment; appropriating money for a new bridge over the South Fork Crow River in Meeker County; authorizing the sale and issuance of state bonds.

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

Warwas and Davids introduced:

H. F. No. 5038, A bill for an act relating to taxation; local sales and use; amending the local sales tax authorization for the city of Virginia; amending Laws 2019, First Special Session chapter 6, article 6, section 30.

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

Nadeau introduced:

H. F. No. 5039, A bill for an act relating to taxation; local sales and use; authorizing the city of Champlin to impose a local sales tax.

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

Anderson, P. E.; Lee, X.; Lillie; Reyer; Wolgamott; Skraba; Scott; Backer; Burkel; Bennett; Heintzeman; Sexton; Repinski; Torkelson; Schultz; Baker; Mekeland; Koznick; Hudson; Lawrence; Olson; Franson; McDonald; Anderson, P. H.; Kresha; Cha; Howard; Sencer-Mura; Falconer; Huot; Nadeau; Stier; Clardy; Igo and Bierman introduced:

H. F. No. 5040, A bill for an act relating to taxation; establishing a tax on certain individuals and organizations convicted of and benefiting from fraud; proposing coding for new law in Minnesota Statutes, chapter 295.

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

Igo introduced:

H. F. No. 5041, A bill for an act relating to capital investment; appropriating money for a recreational trail along a segment of marked U.S. Highway 2 in the city of Warba; authorizing the sale and issuance of state bonds.

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

Igo introduced:

H. F. No. 5042, A bill for an act relating to liquor; allowing the city of Hibbing to issue a social district license.

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

Igo introduced:

H. F. No. 5043, A bill for an act relating to housing; increasing the appropriation for the workforce housing development program; amending Laws 2025, chapter 32, article 1, section 2, subdivisions 1, 3.

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

Igo introduced:

H. F. No. 5044, A bill for an act relating to education finance; establishing school district seasonal tax base replacement aid; appropriating money; amending Minnesota Statutes 2024, section 126C.17, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 126C.13, subdivision 4.

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

Altendorf; Schultz; Quam; Knudsen; Rymer; Bakeberg; Dippel; Gordon; Gander; Heintzeman; Van Binsbergen; Perryman; Dotseth; Mekeland; Repinski; Fogelman; Harder; Robbins; Zeleznikar; Jacob; Murphy; Burkell; McDonald; Skraba; Anderson, P. H.; Scott; Backer; Gillman; Joy; Wiener; Davis; Roach; Allen; Lawrence and Engen introduced:

H. F. No. 5045, A bill for an act relating to elections; requiring photo ID to register to vote and to vote; establishing the SAVE Minnesota Act; requiring proof of citizenship to vote; creating a voter identification card; establishing provisional ballots; modifying driver's license requirements; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 5B.06; 13.6905, by adding a subdivision; 142A.412, subdivision 1; 144.226, by adding subdivisions; 171.06, subdivisions 1, 2, by adding a subdivision; 171.061, subdivisions 1, 3, 4; 171.07, subdivisions 1, 1a, 4, 14, by adding a subdivision; 171.071, subdivision 1; 171.10, subdivision 1; 171.11; 171.12, subdivision 3c; 171.121; 171.14; 201.022, subdivision 1; 201.061, subdivision 1a; 201.071, subdivisions 2, 3; 201.091, subdivision 9; 201.145, subdivisions 2, 3, 4, 5; 201.161, subdivision 3; 201.221, subdivision 3; 203B.065; 203B.121, subdivision 2; 203B.17, subdivision 2; 203B.19; 203B.21, subdivision 3; 203B.24, subdivision 1; 204B.46; 204C.12, by adding a subdivision; 204C.32, as amended; 204C.37; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; Minnesota Statutes 2025 Supplement, sections 171.071, subdivision 2; 201.061, subdivisions 1, 3; 201.071, subdivision 1; 201.121, subdivision 1; 201.13, subdivision 3; 201.14; 201.225, subdivision 2; 203B.04, subdivisions 1, 4; 203B.07, subdivision 3; 203B.08, subdivision 1; 203B.30, subdivision 2; 204B.45, subdivision 2; 204C.08, subdivision 1d; 204C.10; 204C.33, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 200; 201; 204C; 357; repealing Minnesota Statutes 2025 Supplement, section 201.061, subdivision 7.

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

Lee, X., introduced:

H. F. No. 5046, A bill for an act relating to economic development; defining the Brooklyn Park City Council as the economic development authority; amending Laws 2024, chapter 120, article 2, section 12, subdivision 1.

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

Vang introduced:

H. F. No. 5047, A bill for an act relating to workforce development; appropriating money for a grant to Organization of Liberians in Minnesota.

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

Vang introduced:

H. F. No. 5048, A bill for an act relating to economic development; appropriating money for an analysis of the statewide economic impact of increased immigration enforcement in Minnesota; requiring a report.

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

Gomez introduced:

H. F. No. 5049, A bill for an act relating to capital investment; appropriating money for phase 2 of the Avivo regional treatment, career, and employment center campus in Hennepin County; 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, X., introduced:

H. F. No. 5050, A bill for an act relating to workforce development; appropriating money for a grant to the city of Brooklyn Park.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3467, A bill for an act relating to veterans; allowing the commissioner of veterans affairs to direct agency resources to veterans' initiatives; requiring reports; amending Minnesota Statutes 2024, section 196.22, by adding a subdivision.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rehrauer moved that the House concur in the Senate amendments to H. F. No. 3467 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3467, A bill for an act relating to veterans; allowing the commissioner of veterans affairs to direct agency resources to veterans' initiatives; requiring reports; amending Minnesota Statutes 2024, section 196.22, by adding a subdivision.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3718, A bill for an act relating to animals; modifying provisions relating to the practice of veterinary medicine and veterinary technology; amending Minnesota Statutes 2024, sections 156.001, subdivisions 2, 3, 5, 7a, 8, 10b, by adding subdivisions; 156.01, subdivisions 1, 3, by adding a subdivision; 156.02, subdivisions 1, 2; 156.03; 156.04; 156.05; 156.06; 156.07; 156.071; 156.072, subdivisions 1, 2; 156.076; 156.077, subdivision 3, by adding subdivisions; 156.078; 156.081; 156.12, subdivisions 1, 2; 156.121; 156.16, subdivisions 5, 12, 14; 156.18, subdivisions 1, 2, 4; 156.19; Minnesota Statutes 2025 Supplement, section 156.015, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 156; repealing Minnesota Statutes 2024, sections 156.001, subdivision 9; 156.01, subdivision 2; 156.02, subdivision 3; 156.072, subdivision 3; 156.073; 156.16, subdivisions 2, 3, 4, 7, 8, 11; 156.20.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Anderson, P. H., moved that the House concur in the Senate amendments to H. F. No. 3718 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3718, A bill for an act relating to animals; modifying provisions relating to the practice of veterinary medicine and veterinary technology; amending Minnesota Statutes 2024, sections 156.001, subdivisions 2, 3, 5, 7a, 8, 10b, by adding subdivisions; 156.01, subdivisions 1, 3, by adding a subdivision; 156.02, subdivisions 1, 2; 156.03; 156.04; 156.05; 156.06; 156.07; 156.071; 156.072, subdivisions 1, 2; 156.076; 156.077, subdivision 3, by adding subdivisions; 156.078; 156.081; 156.12, subdivisions 1, 2; 156.121; 156.16, subdivisions 5, 12, 14; 156.18, subdivisions 1, 2, 4; 156.19; Minnesota Statutes 2025 Supplement, section 156.015, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 156; repealing Minnesota Statutes 2024, sections 156.001, subdivision 9; 156.01, subdivision 2; 156.02, subdivision 3; 156.072, subdivision 3; 156.073; 156.16, subdivisions 2, 3, 4, 7, 8, 11; 156.20.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Roach

The bill was repassed, as amended by the Senate, and its title agreed to.

CALENDAR FOR THE DAY

H. F. No. 3782 was reported to the House.

Moller moved to amend H. F. No. 3782, the second engrossment, as follows:

Page 1, line 17, delete the second "the" and insert "a"

The motion prevailed and the amendment was adopted.

H. F. No. 3782, A bill for an act relating to public safety; requiring disclosure of chemical irritants used in certain buildings; requiring the commissioner of public safety to develop a standard form; proposing coding for new law in Minnesota Statutes, chapter 626.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davis	Fogelman	Murphy	Roach	Wiener
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The bill was passed, as amended, and its title agreed to.

H. F. No. 4133 was reported to the House.

Moller moved to amend H. F. No. 4133, the first engrossment, as follows:

Page 2, line 5, delete "include" and insert "exclude coverage for property damage if the homeowner is an innocent third party entitled to"

Page 2, line 6, delete everything before "just"

Page 2, line 7, delete "for" and insert "and the" and delete "due to" and insert "results from"

Page 2, delete lines 11 and 12 and insert:

"(c) Nothing in paragraph (a) prohibits a civil authority exclusion or other policy provision as long as the coverage for just compensation is not excluded."

Page 2, line 15, delete "resolve" and insert "assess and remediate"

Page 2, line 19, delete everything after "guidelines" and insert a period

Page 2, after line 19, insert:

"Subd. 4. **Insurer subrogation and reimbursement.** (a) If an insurer pays benefits to or on behalf of a homeowner for damage described in this section, the insurer is subrogated as a matter of law to the homeowner's right to recover just compensation from the responsible local government unit.

(b) Payment made by an insurer under a policy of homeowner's insurance for damages described in this section, if made in good faith and after reasonable investigation, is presumed reasonable and necessary and must be reimbursed by the responsible local government unit. Reimbursement may be denied only upon proof that the payment was obtained by fraud or that the insurer acted in bad faith. If reimbursement is not made as required by this subdivision, the insurer may bring an action to recover the amount paid and is entitled to reasonable attorney fees, costs, and disbursements, including interest under section 60A.0811, subdivision 2, paragraph (a).

(c) If an insurer is reimbursed by a local government unit pursuant to this section, the insurer must remit to the homeowner an amount equal to any deductible the homeowner has paid toward the damage."

The motion prevailed and the amendment was adopted.

H. F. No. 4133, A bill for an act relating to insurance; prohibiting certain exclusions in homeowner's insurance policies when damage is done by a peace officer; amending Minnesota Statutes 2024, section 65A.27, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Acomb	Anderson, P. E.	Bakeberg	Bierman	Carroll	Curran
Agbaje	Anderson, P. H.	Baker	Bliss	Cha	Dauids
Allen	Backer	Bennett	Buck	Clardy	Davis
Altendorf	Bahner	Berg	Burkel	Coulter	Dippel

Dotseth	Hansen, R.	Keeler	McDonald	Pinto	Stephenson
Duran	Hanson, J.	Klevorn	Mekeland	Pursell	Stier
Elkins	Harder	Knudsen	Moller	Quam	Swedzinski
Engen	Heintzeman	Koegel	Momanyi-Hiltsley	Rarick	Tabke
Falconer	Hicks	Kotyza-Witthuhn	Mueller	Rehm	Torkelson
Feist	Hill	Kozlowski	Murphy	Rehrauer	Van Binsbergen
Finke	Hollins	Koznick	Myers	Repinski	Vang
Fischer	Howard	Kraft	Nadeau	Reyer	Virmig
Franson	Hudson	Kresha	Nash	Robbins	Warwas
Frazier	Huot	Lawrence	Nelson	Rymer	West
Frederick	Hussein	Lee, F.	Niska	Schomacker	Wiener
Freiberg	Igo	Lee, K.	Noor	Schultz	Witte
Gander	Jacob	Lee, X.	Norris	Schwartz	Wolgamott
Gillman	Johnson, P.	Liebling	Novotny	Scott	Xiong
Gomez	Johnson, W.	Lillie	O'Driscoll	Sencer-Mura	Youakim
Gottfried	Jones	Long	Olson	Sexton	Zeleznikar
Greene	Jordan	Luger-Nikolai	Pérez-Vega	Skraba	Spk. Demuth
Greenman	Joy	Mahamoud	Perryman	Smith	

Those who voted in the negative were:

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

H. F. No. 3593, A bill for an act relating to transportation; designating a portion of marked Trunk Highway 58 in Zumbrota as "Officer / Firefighter Gary L. Schroeder, Jr. Memorial Highway"; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Clardy	Freiberg	Hussein	Lee, F.	Niska
Agbaje	Coulter	Gander	Igo	Lee, K.	Noor
Allen	Curran	Gillman	Jacob	Lee, X.	Norris
Altendorf	Davids	Gomez	Johnson, P.	Liebling	Novotny
Anderson, P. E.	Davis	Gordon	Johnson, W.	Lillie	O'Driscoll
Anderson, P. H.	Dippel	Gottfried	Jones	Long	Olson
Backer	Dotseth	Greene	Jordan	Luger-Nikolai	Pérez-Vega
Bahner	Duran	Greenman	Joy	Mahamoud	Perryman
Bakeberg	Elkins	Hansen, R.	Keeler	McDonald	Pinto
Baker	Engen	Hanson, J.	Klevorn	Mekeland	Pursell
Bennett	Falconer	Harder	Knudsen	Moller	Quam
Berg	Feist	Heintzeman	Koegel	Momanyi-Hiltsley	Rarick
Bierman	Finke	Hicks	Kotyza-Witthuhn	Mueller	Rehm
Bliss	Fischer	Hill	Kozlowski	Murphy	Rehrauer
Buck	Fogelman	Hollins	Koznick	Myers	Repinski
Burkel	Franson	Howard	Kraft	Nadeau	Reyer
Carroll	Frazier	Hudson	Kresha	Nash	Roach
Cha	Frederick	Huot	Lawrence	Nelson	Robbins

Rymer	Sencer-Mura	Stier	Vang	Witte	Spk. Demuth
Schomacker	Sexton	Swedzinski	Virnig	Wolgammott	
Schultz	Skraba	Tabke	Warwas	Xiong	
Schwartz	Smith	Torkelson	West	Youakim	
Scott	Stephenson	Van Binsbergen	Wiener	Zeleznikar	

The bill was passed and its title agreed to.

H. F. No. 3676, A bill for an act relating to public safety; providing protections, remedies, and modifying various provisions of the Safe at Home program; establishing criminal penalties; amending Minnesota Statutes 2024, sections 5B.02; 5B.03, subdivision 1; 5B.11; 5B.13; 171.01, subdivision 45d; 171.0605, subdivision 5; 480.30, subdivision 1; Minnesota Statutes 2025 Supplement, section 43A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5B.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 3832, A bill for an act relating to agriculture; modifying eligibility for the Dairy Assistance, Investment, Relief Initiative (DAIRI) program; amending Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Carroll	Lee, F.	Sencer-Mura	Xiong
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The bill was passed and its title agreed to.

H. F. No. 2358, A bill for an act relating to public safety; providing enhanced criminal penalty for certain violations of coercion crime; amending Minnesota Statutes 2024, section 609.27, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Bahner	Buck	Davids	Falconer	Frederick
Agbaje	Bakeberg	Burkel	Davis	Feist	Freiberg
Allen	Baker	Carroll	Dippel	Finke	Gander
Altendorf	Bennett	Cha	Dotseth	Fischer	Gillman
Anderson, P. E.	Berg	Clardy	Duran	Fogelman	Gomez
Anderson, P. H.	Bierman	Coulter	Elkins	Franson	Gordon
Backer	Bliss	Curran	Engen	Frazier	Gottfried

Greene	Johnson, W.	Lee, X.	Niska	Roach	Van Binsbergen
Greenman	Jones	Liebling	Noor	Robbins	Vang
Hansen, R.	Jordan	Lillie	Norris	Rymer	Virmig
Hanson, J.	Joy	Long	Novotny	Schomacker	Warwas
Harder	Keeler	Luger-Nikolai	O'Driscoll	Schultz	West
Heintzeman	Klevorn	Mahamoud	Olson	Schwartz	Wiener
Hicks	Knudsen	McDonald	Pérez-Vega	Scott	Witte
Hill	Koegel	Mekeland	Perryman	Sencer-Mura	Wolgamott
Hollins	Kotyza-Witthuhn	Moller	Pinto	Sexton	Xiong
Howard	Kozlowski	Momanyi-Hiltsley	Pursell	Skraba	Youakim
Hudson	Koznick	Mueller	Quam	Smith	Zelevnikar
Huot	Kraft	Murphy	Rarick	Stephenson	Spk. Demuth
Hussein	Kresha	Myers	Rehm	Stier	
Igo	Lawrence	Nadeau	Rehrauer	Swedzinski	
Jacob	Lee, F.	Nash	Repinski	Tabke	
Johnson, P.	Lee, K.	Nelson	Reyer	Torkelson	

The bill was passed and its title agreed to.

H. F. No. 3827 was reported to the House.

Duran moved to amend H. F. No. 3827 as follows:

Page 5, line 34, delete "its" and insert "the Bureau of Criminal Apprehension's"

The motion prevailed and the amendment was adopted.

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.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Acomb	Bakeberg	Carroll	Dotseth	Franson	Gottfried
Agbaje	Baker	Cha	Duran	Frazier	Greene
Allen	Bennett	Clardy	Elkins	Frederick	Greenman
Altendorf	Berg	Coulter	Engen	Freiberg	Hansen, R.
Anderson, P. E.	Bierman	Curran	Falconer	Gander	Hanson, J.
Anderson, P. H.	Bliss	Davids	Feist	Gillman	Harder
Backer	Buck	Davis	Finke	Gomez	Heintzeman
Bahner	Burkel	Dippel	Fischer	Gordon	Hicks

Hill	Klevorn	Long	Noor	Reyer	Tabke
Hollins	Knudsen	Luger-Nikolai	Norris	Robbins	Torkelson
Howard	Koegel	Mahamoud	Novotny	Rymer	Van Binsbergen
Hudson	Kotyza-Witthuhn	McDonald	O'Driscoll	Schomacker	Vang
Huot	Kozlowski	Mekeland	Olson	Schultz	Virmig
Hussein	Koznick	Moller	Pérez-Vega	Schwartz	Warwas
Igo	Kraft	Momanyi-Hiltsley	Perryman	Scott	West
Jacob	Kresha	Mueller	Pinto	Sencer-Mura	Wiener
Johnson, P.	Lawrence	Murphy	Pursell	Sexton	Witte
Johnson, W.	Lee, F.	Myers	Quam	Skraba	Wolgamott
Jones	Lee, K.	Nadeau	Rarick	Smith	Youakim
Jordan	Lee, X.	Nash	Rehm	Stephenson	Zeleznikar
Joy	Liebling	Nelson	Rehrauer	Stier	Spk. Demuth
Keeler	Lillie	Niska	Repinski	Swedzinski	

Those who voted in the negative were:

Roach

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

H. F. No. 3453, A bill for an act relating to public safety; controlled substances; establishing the legal age to possess kratom as 21 years of age or older; amending Minnesota Statutes 2024, section 152.027, subdivision 7.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davis Fogelman Gordon Roach Wiener

The bill was passed and its title agreed to.

H. F. No. 3496, A bill for an act relating to corrections; modifying the supervision abatement status policy; amending Minnesota Statutes 2025 Supplement, section 244.46, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 3762, A bill for an act relating to public safety; authorizing chiefs of police and sheriffs to open certain expunged records to determine eligibility to purchase, receive, or carry a firearm; amending Minnesota Statutes 2024, section 260B.198, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 609A.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davis	Fogelman	Roach
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The bill was passed and its title agreed to.

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.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Bahner	Buck	Davids	Falconer	Frederick
Agbaje	Bakeberg	Burkel	Davis	Feist	Freiberg
Allen	Baker	Carroll	Dippel	Finke	Gander
Altendorf	Bennett	Cha	Dotseth	Fischer	Gillman
Anderson, P. E.	Berg	Clardy	Duran	Fogelman	Gomez
Anderson, P. H.	Bierman	Coulter	Elkins	Franson	Gordon
Backer	Bliss	Curran	Engen	Frazier	Gottfried

Greene	Johnson, W.	Lee, X.	Niska	Roach	Van Binsbergen
Greenman	Jones	Liebling	Noor	Robbins	Vang
Hansen, R.	Jordan	Lillie	Norris	Rymer	Virmig
Hanson, J.	Joy	Long	Novotny	Schomacker	Warwas
Harder	Keeler	Luger-Nikolai	O'Driscoll	Schultz	West
Heintzeman	Klevorn	Mahamoud	Olson	Schwartz	Wiener
Hicks	Knudsen	McDonald	Pérez-Vega	Scott	Witte
Hill	Koegel	Mekeland	Perryman	Sencer-Mura	Wolgamott
Hollins	Kotyza-Witthuhn	Moller	Pinto	Sexton	Xiong
Howard	Kozlowski	Momanyi-Hiltsley	Pursell	Skraba	Youakim
Hudson	Koznick	Mueller	Quam	Smith	Zeleznikar
Huot	Kraft	Murphy	Rarick	Stephenson	Spk. Demuth
Hussein	Kresha	Myers	Rehm	Stier	
Igo	Lawrence	Nadeau	Rehrauer	Swedzinski	
Jacob	Lee, F.	Nash	Repinski	Tabke	
Johnson, P.	Lee, K.	Nelson	Reyer	Torkelson	

The bill was passed and its title agreed to.

H. F. No. 3768 was reported to the House.

Curran moved to amend H. F. No. 3768, the first engrossment, as follows:

Page 2, line 3, delete "241.131" and insert "241.31"

The motion prevailed and the amendment was adopted.

H. F. No. 3768, A bill for an act relating to corrections; clarifying responsibilities of Department of Corrections licensed juvenile and adult community-based residential correctional facilities; amending Minnesota Statutes 2024, section 241.021, subdivisions 1f, 4a; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 241; repealing Minnesota Statutes 2024, section 241.021, subdivisions 1g, 1h, 2a, 2b, 3, 6; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Acomb	Bennett	Coulter	Finke	Gordon	Hill
Agbaje	Berg	Curran	Fischer	Gottfried	Hollins
Allen	Bierman	Davids	Franson	Greene	Howard
Anderson, P. E.	Bliss	Dotseth	Frazier	Greenman	Hudson
Anderson, P. H.	Buck	Duran	Frederick	Hansen, R.	Huot
Backer	Burkel	Elkins	Freiberg	Hanson, J.	Hussein
Bahner	Carroll	Engen	Gander	Harder	Igo
Bakeberg	Cha	Falconer	Gillman	Heintzeman	Johnson, P.
Baker	Clardy	Feist	Gomez	Hicks	Johnson, W.

Jones	Lawrence	Momanyi-Hiltsley	Pérez-Vega	Schomacker	Torkelson
Jordan	Lee, F.	Mueller	Perryman	Schultz	Van Binsbergen
Joy	Lee, K.	Myers	Pinto	Schwartz	Vang
Keeler	Lee, X.	Nadeau	Pursell	Scott	Virmig
Klevorn	Liebling	Nash	Quam	Sencer-Mura	Warwas
Knudsen	Lillie	Nelson	Rarick	Sexton	West
Koegel	Long	Niska	Rehm	Skraba	Witte
Kotyza-Witthuhn	Luger-Nikolai	Noor	Rehauer	Smith	Wolgamott
Kozlowski	Mahamoud	Norris	Repinski	Stephenson	Xiong
Koznick	McDonald	Novotny	Reyer	Stier	Youakim
Kraft	Mekeland	O'Driscoll	Robbins	Swedzinski	Zeleznikar
Kresha	Moller	Olson	Rymer	Tabke	Spk. Demuth

Those who voted in the negative were:

Altendorf	Davis	Fogelman	Murphy	Roach	Wiener
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The bill was passed, as amended, and its title agreed to.

H. F. No. 3769 was reported to the House.

Curran moved to amend H. F. No. 3769, the first engrossment, as follows:

Pages 1 to 2, delete sections 1 to 3

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 3769, A bill for an act relating to corrections; clarifying in law the multiple levels of substance abuse care provided by the commissioner of corrections; expanding access to mental health unit beds for incarcerated persons; clarifying mandatory tuberculosis screening in correctional facilities; amending Minnesota Statutes 2024, sections 144.445, subdivisions 1, 2, by adding a subdivision; 241.021, subdivision 4a; 241.69, subdivisions 1, 3, 4, 5, 6.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Acomb	Anderson, P. E.	Bakeberg	Bierman	Carroll	Curran
Agbaje	Anderson, P. H.	Baker	Bliss	Cha	Davids
Allen	Backer	Bennett	Buck	Clardy	Dippel
Altendorf	Bahner	Berg	Burkel	Coulter	Dotseth

Duran	Hansen, R.	Keeler	McDonald	Pursell	Stier
Elkins	Hanson, J.	Klevorn	Mekeland	Quam	Swedzinski
Engen	Harder	Knudsen	Moller	Rarick	Tabke
Falconer	Heintzeman	Koegel	Momanyi-Hiltsley	Rehm	Torkelson
Feist	Hicks	Kotyza-Witthuhn	Mueller	Rehrauer	Van Binsbergen
Finke	Hill	Kozlowski	Myers	Repinski	Vang
Fischer	Hollins	Koznick	Nadeau	Reyer	Virnig
Franson	Howard	Kraft	Nash	Robbins	Warwas
Frazier	Hudson	Kresha	Nelson	Rymer	West
Frederick	Huot	Lawrence	Niska	Schomacker	Witte
Freiberg	Hussein	Lee, F.	Noor	Schultz	Wolgamott
Gander	Igo	Lee, K.	Norris	Schwartz	Xiong
Gillman	Jacob	Lee, X.	Novotny	Scott	Youakim
Gomez	Johnson, P.	Liebling	O'Driscoll	Sencer-Mura	Zeleznikar
Gordon	Johnson, W.	Lillie	Olson	Sexton	Spk. Demuth
Gottfried	Jones	Long	Pérez-Vega	Skraba	
Greene	Jordan	Luger-Nikolai	Perryman	Smith	
Greenman	Joy	Mahamoud	Pinto	Stephenson	

Those who voted in the negative were:

Davis	Fogelman	Murphy	Roach	Wiener
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The bill was passed, as amended, and its title agreed to.

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.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Buck	Falconer	Greene	Jacob	Kresha
Agbaje	Burkel	Feist	Greenman	Johnson, P.	Lawrence
Allen	Carroll	Finke	Hansen, R.	Johnson, W.	Lee, F.
Altendorf	Cha	Fischer	Hanson, J.	Jones	Lee, K.
Anderson, P. E.	Clardy	Fogelman	Harder	Jordan	Lee, X.
Anderson, P. H.	Coulter	Franson	Heintzeman	Joy	Liebling
Backer	Curran	Frazier	Hicks	Keeler	Lillie
Bahner	Dauids	Frederick	Hill	Klevorn	Long
Bakeberg	Davis	Freiberg	Hollins	Knudsen	Luger-Nikolai
Baker	Dippel	Gander	Howard	Koegel	Mahamoud
Bennett	Dotseth	Gillman	Hudson	Kotyza-Witthuhn	McDonald
Berg	Duran	Gomez	Huot	Kozlowski	Mekeland
Bierman	Elkins	Gordon	Hussein	Koznick	Moller
Bliss	Engen	Gottfried	Igo	Kraft	Momanyi-Hiltsley

Mueller	Novotny	Rehm	Schwartz	Tabke	Wolgamott
Murphy	O'Driscoll	Rehrauer	Scott	Torkelson	Xiong
Myers	Olson	Repinski	Sencer-Mura	Van Binsbergen	Youakim
Nadeau	Pérez-Vega	Reyer	Sexton	Vang	Zeleznikar
Nash	Perryman	Roach	Skraba	Virnig	Spk. Demuth
Nelson	Pinto	Robbins	Smith	Warwas	
Niska	Pursell	Rymer	Stephenson	West	
Noor	Quam	Schomacker	Stier	Wiener	
Norris	Rarick	Schultz	Swedzinski	Witte	

The bill was passed and its title agreed to.

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.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 3621 was reported to the House.

Niska moved to amend H. F. No. 3621, the second engrossment, as follows:

Page 6, after line 18, insert:

"Sec. 2. **CITATION.**

Sections 3 and 4 may be cited as the "Fraud Isn't Free Act."

Sec. 3. **[15.0135] FRAUD; CORRECTIVE ACTION PLANS AND OTHER REQUIREMENTS.**

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

(b) "Agency" has the meaning given in section 16B.01, subdivision 2, and includes the Minnesota State Colleges and Universities.

(c) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception. Fraud includes knowingly submitting false information to a federal, state, or local government entity for the purpose of obtaining greater compensation or benefit than the person is legally entitled. Fraud also includes acts that constitute a crime against any program, or the attempts or plans to commit those crimes, including but not limited to theft in violation of section 609.52, perjury in violation of section 609.48, and aggravated forgery and forgery in violation of sections 609.625 and 609.63, and substantially similar federal laws.

(d) "Law enforcement agency" means an agency of the state or a political subdivision with the power to conduct criminal investigations.

(e) "Program" means any program administered by an agency and funded by the state or the federal government that involves the transfer or disbursement of public funds or other public resources.

Subd. 2. **Fraud suspected.** An agency head must report the total estimated amount of money fraudulently obtained under a program to the commissioner of management and budget and the chair and vice-chair of the Legislative Audit Commission, and take the actions required under subdivisions 3 to 5, no later than 30 days after:

(1) the agency head withholds payment due to suspected fraud under section 15.013, section 256B.064, or another state or federal law; or

(2) a law enforcement agency completes an investigation of alleged fraud committed against a program and reports to the agency head and the chair and vice-chair of the Legislative Audit Commission as required under subdivision 6.

Subd. 3. **Corrective action plan.** (a) The agency head must submit a corrective action plan to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency's operating budget.

(b) The plan must include the following elements:

(1) a summary of the suspected fraud, including the total estimated amount of money fraudulently obtained, how the suspected fraud may have been perpetrated, and the agency staff who are responsible for the program at issue;

(2) any steps, including but not limited to staff dismissal, staff discipline, or, at a minimum, staff training, that the agency has taken or will take to better detect or prevent fraud moving forward;

(3) any recommended changes to state law; and

(4) the agency's plan to recover all money that was fraudulently obtained.

Subd. 4. **Enrollment suspended.** The agency head must suspend further enrollment in the program until the agency has completed the requirements under section 16A.093, subdivision 1, paragraph (b).

Subd. 5. **Leadership and employee dismissal; hiring prohibited.** (a) The agency head must discharge each employee of the agency whose intentional or negligent act or failure to act abetted the fraud or allowed it to occur. For purposes of this paragraph, "employee" includes but is not limited to:

(1) the deputy or assistant agency head responsible for the division or unit that administers the program; and

(2) the director or other head of the division or unit identified in clause (1).

(b) The discharge procedure is as provided in section 43A.33, subdivision 3.

(c) A person discharged under this subdivision is prohibited from state employment for five years.

Subd. 6. **Law enforcement investigations; reporting.** (a) When a law enforcement agency completes an investigation of alleged fraud committed against a program and refers the case for prosecution to the United States attorney for the district of Minnesota, the attorney general, or a county attorney, the law enforcement agency must promptly notify the head of the state agency that administers the program and the chair and vice-chair of the Legislative Audit Commission. The notification must identify all suspects, the program at issue, and the time period. The notification must also summarize evidence of fraud.

(b) The agency head and the chair and vice-chair of the Legislative Audit Commission must treat the information provided by a law enforcement agency under paragraph (a) as criminal investigative data under chapter 13.

Sec. 4. [16A.093] AGENCY BUDGET REDUCTIONS DUE TO FRAUD.

Subdivision 1. **Budget reduction required.** (a) When the commissioner receives a fraud report under section 15.0135, the commissioner must reduce unexpended allotments in the current biennium for the reporting agency's administration or central office functions by ten percent, and for the reporting agency head's salary as prescribed under section 15A.082 or other law by 25 percent. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations that would prevent effecting such reductions. The commissioner must also reduce the appropriation base for agency administration by ten percent, and the appropriation base for agency head salary by 25 percent, for the subsequent biennium.

(b) The reductions required under paragraph (a) continue until the agency head certifies to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over the agency's operating budget that:

(1) the agency has referred all relevant evidence to law enforcement;

(2) responsible agency staff have been identified and discharged as required under section 15.0135, subdivision 5; and

(3) 25 percent of the state money fraudulently obtained has been recovered by the proper authority and deposited in the general fund.

Subd. 2. **Reporting.** The commissioner must promptly report each reduction under subdivision 1 to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency's operating budget and to the chairs and ranking minority members of the Committee on Finance in the senate and the Committee on Ways and Means in the house of representatives."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing the Fraud Isn't Free Act; requiring corrective action plans, enrollment freezes, agency budget reductions, and employee dismissal when fraud is committed against a program administered by the state;"

Correct the title numbers accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Long raised a point of order pursuant to rule 3.21 that the Niska amendment was not in order. The Speaker ruled the point of order not well taken and the Niska amendment in order.

Long appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 67 yeas and 67 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	Falconer	Hanson, J.	Koegel	Moller	Stephenson
Agbaje	Feist	Hicks	Kotyza-Witthuhn	Momanyi-Hiltsley	Tabke
Bahner	Finke	Hill	Kozlowski	Noor	Vang
Berg	Fischer	Hollins	Kraft	Norris	Virmig
Bierman	Frazier	Howard	Lee, F.	Pérez-Vega	Wolgamott
Buck	Frederick	Huot	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Hussein	Lee, X.	Pursell	Youakim
Cha	Gomez	Johnson, P.	Liebling	Rehm	
Clardy	Gottfried	Jones	Lillie	Rehrauer	
Coulter	Greene	Jordan	Long	Reyer	
Curran	Greenman	Keeler	Luger-Nikolai	Sencer-Mura	
Elkins	Hansen, R.	Klevorn	Mahamoud	Smith	

So it was the judgment of the House that the decision of the Speaker should stand.

POINT OF ORDER

Long raised a point of order pursuant to the Supplemental Agreement for House Organization dated April 3, 2025, Rule 13.3, relating to the question of germaneness, that the decision of the Speaker should not stand and that the Niska amendment was not in order. The Speaker ruled the point of order not well taken and the decision of the Speaker should stand.

The question recurred on the Niska amendment and the roll was called. There were 67 yeas and 67 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	Zelevnikar
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	Falconer	Hanson, J.	Koegel	Moller	Stephenson
Agbaje	Feist	Hicks	Kotzya-Witthuhn	Momanyi-Hiltsley	Tabke
Bahner	Finke	Hill	Kozlowski	Noor	Vang
Berg	Fischer	Hollins	Kraft	Norris	Virmig
Bierman	Frazier	Howard	Lee, F.	Pérez-Vega	Wolgamott
Buck	Frederick	Huot	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Hussein	Lee, X.	Pursell	Youakim
Cha	Gomez	Johnson, P.	Liebling	Rehm	
Clardy	Gottfried	Jones	Lillie	Rehrauer	
Coulter	Greene	Jordan	Long	Reyer	
Curran	Greenman	Keeler	Luger-Nikolai	Sencer-Mura	
Elkins	Hansen, R.	Klevorn	Mahamoud	Smith	

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

H. F. No. 3621, A bill for an act relating to state government; withholding payments to program participants under certain circumstances; amending Minnesota Statutes 2025 Supplement, section 15.013.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Altendorf	Backer	Baker	Bierman	Burkel
Agbaje	Anderson, P. E.	Bahner	Bennett	Bliss	Carroll
Allen	Anderson, P. H.	Bakeberg	Berg	Buck	Cha

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

The bill was passed and its title agreed to.

H. F. No. 3629 was reported to the House.

The Speaker called Olson to the Chair.

Quam moved to amend H. F. No. 3629 as follows:

Page 1, after line 5, insert:

"Section. 1. Minnesota Statutes 2024, section 16B.24, is amended by adding a subdivision to read:

Subd. 4a. **Inventory training.** All state agency employees responsible for maintaining an inventory of state real property or state personal property must annually complete training provided by the commissioner. The training must include but is not limited to accountability and oversight requirements for different types of assets and property, how to ensure adequate segregation of duties, and identification of inventory-related risks.

Sec. 2. Minnesota Statutes 2024, section 16B.97, subdivision 3, is amended to read:

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

- ~~(1) review grants management practices and establish and enforce policy and procedure improvements;~~
- ~~(2) (1) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;~~
- ~~(3) (2) review, recommend, and implement alternative strategies for grants management;~~

(4) ~~(3)~~ collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies;

~~(5)~~ (4) participate in conferences and other appropriate activities related to grants management issues;

~~(6)~~ (5) suspend or debar grantees from eligibility to receive state-issued grants for up to three years for reasons specified in Minnesota Rules, part 1230.1150, subpart 2. A grantee may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension or debarment is effective by filing a written request for hearing within 20 days of notification of suspension or debarment; and

~~(7) establish offices for the purpose of carrying out grants governance, oversight, and management; and~~

~~(8)~~ (6) require granting agencies to submit grant solicitation documents for review prior to issuance at dollar levels determined by the commissioner."

Page 2, line 6, strike "and"

Page 2, line 7, strike the period and insert a semicolon

Page 2, after line 7, insert:

"(11) ensure that all executive agencies comply with the training requirements under section 16B.98, subdivision 6a;

(12) review executive agency grants management practices and establish and enforce policy or procedure improvements as needed, with a focus on high-risk grant programs and grantees; and

(13) establish offices for the purpose of carrying out grants governance, oversight, and management."

Page 2, after line 15, insert:

"Sec. 5. Minnesota Statutes 2024, section 16B.98, subdivision 3, is amended to read:

Subd. 3. **Conflict of interest.** (a) The commissioner must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees, committee members, or others involved in the recommendation, awarding, and administration of grants. The policies must apply to employees who are directly or indirectly in the grants process, ~~which may include the following~~ including:

(1) developing request for proposals or evaluation criteria;

(2) drafting, recommending, awarding, amending, revising, or entering into grant agreements;

(3) evaluating or monitoring performance; ~~or~~ and

(4) authorizing payments.

(b) The policies must include:

(1) a process to make all parties to the grant aware of policies and laws relating to conflict of interest, and training on how to avoid and address potential conflicts; and

(2) a process under which those who have a conflict of interest or a potential conflict of interest must disclose the matter.

(c) If the employee, appointing authority, or commissioner determines that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of interest, interested personnel shall be notified of the conflict and the employee may proceed with the assignment.

Sec. 6. Minnesota Statutes 2024, section 16B.98, is amended by adding a subdivision to read:

Subd. 4a. **Reporting of investigations.** The head of a granting agency must report to the commissioner any grantee being investigated due to a credible allegation of fraud. The commissioner must maintain a list of grantees reported under this subdivision. The commissioner must not remove a grantee from the list until an investigation is complete or closed.

Sec. 7. Minnesota Statutes 2025 Supplement, section 16B.98, subdivision 6a, is amended to read:

Subd. 6a. **Grants management training.** (a) All state agency staff assigned grant management responsibilities must complete initial grants management training before assuming grants management job duties and must complete continuing grants management training on an annual basis.

(b) All state agency staff assigned to conduct financial reconciliation of grants must complete initial training on conducting financial reconciliations before assuming grant management responsibilities and must complete continuing financial reconciliation training on an annual basis.

(c) All state agencies must report annually to the commissioner the number of staff members who have received grants management training and training on conducting final reconciliation of grants.

(d) The commissioner must ensure that all state agencies comply with the training requirements in this section.

EFFECTIVE DATE. This section is effective January 15, 2027."

Page 2, after line 21, insert:

"Sec. 9. Minnesota Statutes 2024, section 16B.98, is amended by adding a subdivision to read:

Subd. 15. **Hiring limitation.** For a period of 12 months after a granting agency awards a grant, the grantee must not hire an individual to work with that grant who was a state employee involved in awarding or managing the grant. If a grantee violates this subdivision, the granting agency must immediately terminate the grant, the grantee must repay to the state all money received under the grant, and the commissioner must debar the grantee for a period of 24 months beginning on the first day of the individual's employment with the grantee."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Quam amendment and the roll was called. There were 67 yeas and 67 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	Falconer	Hanson, J.	Koegel	Moller	Stephenson
Agbaje	Feist	Hicks	Kotyza-Witthuhn	Momanyi-Hiltsley	Tabke
Bahner	Finke	Hill	Kozlowski	Noor	Vang
Berg	Fischer	Hollins	Kraft	Norris	Virmig
Bierman	Frazier	Howard	Lee, F.	Pérez-Vega	Wolgamott
Buck	Frederick	Huot	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Hussein	Lee, X.	Pursell	Youakim
Cha	Gomez	Johnson, P.	Liebling	Rehm	
Clardy	Gottfried	Jones	Lillie	Rehrauer	
Coulter	Greene	Jordan	Long	Reyer	
Curran	Greenman	Keeler	Luger-Nikolai	Sencer-Mura	
Elkins	Hansen, R.	Klevorn	Mahamoud	Smith	

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

Davis moved to amend H. F. No. 3629 as follows:

Page 1, line 11, after the period, insert "The commissioner must report each approved exception to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency."

Page 1, line 22, strike "waste" and insert "misuse"

Page 2, line 6, strike "and"

Page 2, line 7, strike the period and insert "; and"

Page 2, after line 7, insert:

"(11) require executive agencies to:

(i) conduct one virtual monitoring visit for grants of less than \$50,000, annual in-person monitoring visits for grants of \$50,000 to \$250,000, and biannual in-person monitoring visits, one of which being an unannounced visit, for any grant over \$250,000;

(ii) perform a financial reconciliation of grant expenditures before final payment, with quarterly reconciliation required for any grant over \$500,000; and

(iii) withhold funds from any grantee that does not submit a required progress report until a satisfactory report is submitted, unless the failure to submit is caused by the executive agency, including a malfunction or failure of the agency's grant system."

Page 2, after line 28, insert:

"Sec. 5. **CONFORMING CHANGES TO GRANTS POLICIES.**

The commissioner of administration must update grants management policies and procedures as necessary to conform with this act.

Sec. 6. **EFFECTIVE DATE.**

This act is effective August 1, 2026, and applies to grant agreements executed or amended on or after that date."

POINT OF ORDER

Frazier raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Davis amendment was not in order. Speaker pro tempore Olson ruled the point of order not well taken and the Davis amendment in order.

Klevorn requested a division of the Davis amendment to H. F. No. 3629.

The first portion of the Davis amendment to H. F. No. 3629 reads as follows:

Page 1, line 11, after the period, insert "The commissioner must report each approved exception to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency."

Page 1, line 22, strike "waste" and insert "misuse"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Davis amendment and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Bahner	Buck	Davids	Falconer	Frederick
Agbaje	Bakeberg	Burkel	Davis	Feist	Freiberg
Allen	Baker	Carroll	Dippel	Finke	Gander
Altendorf	Bennett	Cha	Dotseth	Fischer	Gillman
Anderson, P. E.	Berg	Clardy	Duran	Fogelman	Gomez
Anderson, P. H.	Bierman	Coulter	Elkins	Franson	Gordon
Backer	Bliss	Curran	Engen	Frazier	Gottfried

Greene	Johnson, W.	Lee, X.	Niska	Roach	Van Binsbergen
Greenman	Jones	Liebling	Noor	Robbins	Vang
Hansen, R.	Jordan	Lillie	Norris	Rymer	Virmig
Hanson, J.	Joy	Long	Novotny	Schomacker	Warwas
Harder	Keeler	Luger-Nikolai	O'Driscoll	Schultz	West
Heintzeman	Klevorn	Mahamoud	Olson	Schwartz	Wiener
Hicks	Knudsen	McDonald	Pérez-Vega	Scott	Witte
Hill	Koegel	Mekeland	Perryman	Sencer-Mura	Wolgamott
Hollins	Kotyza-Witthuhn	Moller	Pinto	Sexton	Xiong
Howard	Kozlowski	Momanyi-Hiltsley	Pursell	Skraba	Youakim
Hudson	Koznick	Mueller	Quam	Smith	Zeleznikar
Huot	Kraft	Murphy	Rarick	Stephenson	Spk. Demuth
Hussein	Kresha	Myers	Rehm	Stier	
Igo	Lawrence	Nadeau	Rehrauer	Swedzinski	
Jacob	Lee, F.	Nash	Repinski	Tabke	
Johnson, P.	Lee, K.	Nelson	Reyer	Torkelson	

The motion prevailed and the first portion of the Davis amendment was adopted.

The second portion of the Davis amendment to H. F. No. 3629, as amended, reads as follows:

Page 2, line 6, strike "and"

Page 2, line 7, strike the period and insert "; and"

Page 2, after line 7, insert:

"(11) require executive agencies to:

(i) conduct one virtual monitoring visit for grants of less than \$50,000, annual in-person monitoring visits for grants of \$50,000 to \$250,000, and biannual in-person monitoring visits, one of which being an unannounced visit, for any grant over \$250,000;

(ii) perform a financial reconciliation of grant expenditures before final payment, with quarterly reconciliation required for any grant over \$500,000; and

(iii) withhold funds from any grantee that does not submit a required progress report until a satisfactory report is submitted, unless the failure to submit is caused by the executive agency, including a malfunction or failure of the agency's grant system."

Page 2, after line 28, insert:

"Sec. 5. **CONFORMING CHANGES TO GRANTS POLICIES.**

The commissioner of administration must update grants management policies and procedures as necessary to conform with this act.

Sec. 6. **EFFECTIVE DATE.**

This act is effective August 1, 2026, and applies to grant agreements executed or amended on or after that date."

A roll call was requested and properly seconded.

The question was taken on the second portion of the Davis amendment and the roll was called. There were 67 yeas and 67 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	Falconer	Hanson, J.	Koegel	Moller	Stephenson
Agbaje	Feist	Hicks	Kotyza-Witthuhn	Momanyi-Hiltsley	Tabke
Bahner	Finke	Hill	Kozlowski	Noor	Vang
Berg	Fischer	Hollins	Kraft	Norris	Virmig
Bierman	Frazier	Howard	Lee, F.	Pérez-Vega	Wolgammott
Buck	Frederick	Huot	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Hussein	Lee, X.	Pursell	Youakim
Cha	Gomez	Johnson, P.	Liebling	Rehm	
Clardy	Gottfried	Jones	Lillie	Rehrauer	
Coulter	Greene	Jordan	Long	Reyer	
Curran	Greenman	Keeler	Luger-Nikolai	Sencer-Mura	
Elkins	Hansen, R.	Klevorn	Mahamoud	Smith	

The motion did not prevail and the second portion of the Davis amendment was not adopted.

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.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Backer	Bierman	Clardy	Dotseth	Finke
Agbaje	Bahner	Bliss	Coulter	Duran	Fischer
Allen	Bakeberg	Buck	Curran	Elkins	Fogelman
Altendorf	Baker	Burkel	Davids	Engen	Franson
Anderson, P. E.	Bennett	Carroll	Davis	Falconer	Frazier
Anderson, P. H.	Berg	Cha	Dippel	Feist	Frederick

Freiberg	Huot	Kresha	Nash	Reyer	Van Binsbergen
Gander	Hussein	Lawrence	Nelson	Roach	Vang
Gillman	Igo	Lee, F.	Niska	Robbins	Virmig
Gomez	Jacob	Lee, K.	Noor	Rymer	Warwas
Gordon	Johnson, P.	Lee, X.	Norris	Schomacker	West
Gottfried	Johnson, W.	Liebling	Novotny	Schultz	Wiener
Greene	Jones	Lillie	O'Driscoll	Schwartz	Witte
Greenman	Jordan	Long	Olson	Scott	Wolgamott
Hansen, R.	Joy	Luger-Nikolai	Pérez-Vega	Sencer-Mura	Xiong
Hanson, J.	Keeler	Mahamoud	Perryman	Sexton	Youakim
Harder	Klevorn	McDonald	Pinto	Skraba	Zeleznikar
Heintzeman	Knudsen	Mekeland	Pursell	Smith	Spk. Demuth
Hicks	Koegel	Moller	Quam	Stephenson	
Hill	Kotyza-Witthuhn	Mueller	Rarick	Stier	
Hollins	Kozlowski	Murphy	Rehm	Swedzinski	
Howard	Koznick	Myers	Rehrauer	Tabke	
Hudson	Kraft	Nadeau	Repinski	Torkelson	

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

MOTIONS AND RESOLUTIONS

Bahner moved that the name of Jones be added as an author on H. F. No. 1268. The motion prevailed.

Igo moved that the name of Skraba be added as an author on H. F. No. 3393. The motion prevailed.

Vang moved that the name of Hansen, R., be added as an author on H. F. No. 3466. The motion prevailed.

Gander moved that the name of Rehm be added as an author on H. F. No. 3586. The motion prevailed.

Coulter moved that the name of Rehm be added as an author on H. F. No. 3624. The motion prevailed.

Koegel moved that the names of Zeleznikar and Anderson, P. E., be added as authors on H. F. No. 3642. The motion prevailed.

Witte moved that the name of Bakeberg be added as an author on H. F. No. 3762. The motion prevailed.

Sencer-Mura moved that the name of Rehm be added as an author on H. F. No. 3776. The motion prevailed.

Agbaje moved that the names of Curran; Moller; Finke; Frazier; Hanson, J.; Pursell; Freiberg; Youakim and Kraft be added as authors on H. F. No. 3779. The motion prevailed.

Howard moved that the name of Jones be added as an author on H. F. No. 3806. The motion prevailed.

Bahner moved that the name of Nash be added as an author on H. F. No. 3860. The motion prevailed.

Hill moved that the name of Hudson be added as an author on H. F. No. 3953. The motion prevailed.

Reyer moved that the name of Torkelson be added as an author on H. F. No. 4064. The motion prevailed.

Scott moved that the name of Greene be added as an author on H. F. No. 4138. The motion prevailed.

Franson moved that the name of Hudson be added as an author on H. F. No. 4288. The motion prevailed.

Myers moved that the name of Johnson, W., be added as an author on H. F. No. 4425. The motion prevailed.

Novotny moved that the name of Huot be added as an author on H. F. No. 4988. The motion prevailed.

Hollins moved that the name of Moller be added as an author on H. F. No. 5005. The motion prevailed.

Wiener moved that the name of Rarick be added as an author on H. R. No. 6. The motion prevailed.

PROTEST AND DISSENT

Pursuant to Article IV, Section 11 of the Minnesota Constitution, we the undersigned Members of the Minnesota House of Representatives register our protest and dissent against Representative Pam Altendorf and Representative Cal Warwas for their offensive and inappropriate behavior during debate on HF3351 and HF3433, respectively. Their actions, specifically reading from the manifesto of the killer who murdered two children and injured 28 children and parishioners during the Annunciation Catholic Church and School shooting on August 27, 2025, constitutes a violation of the House Code of Conduct Policy.

The House Code of Conduct Policy for the Minnesota House of Representatives, pursuant to House Rule 9.01, states: "A State Representative and an officer or employee of the House of Representatives shall: Respect the principles of representative democracy, by exemplifying good citizenship and High personal integrity, and by observing the letter and spirit of laws, and House Rules... Exercise sound judgement."

On Wednesday, February 25, during discussion of HF3351 by the Elections Finance and Government Operations Committee, Representative Pam Altendorf read from the Annunciation shooter's manifesto while the family of shooting victims were present to testify. After being informed, on the record, of the harm and her actions and reminded of the presence of the victims' families, Representative Altendorf again chose to quote the shooter's manifesto. She also implied that other Representatives were lying to the families of Annunciation victims.

These Minnesotans came to the Capitol to testify in the hope that the Legislature take action to prevent future mass shootings. The way tragedies like the Annunciation shooting are discussed in the Capitol matters deeply to those families and all the Minnesotans who show up to participate in the democratic process. These concerns were raised to Speaker Lisa Demuth by victim's families and some Representatives.

On Thursday, March 26, during debate on the House Floor on a motion to place HF3433 on the General Register, Representative Warwas quoted from the same manifesto. These actions happened after concerns about the same behavior had previously been raised privately with Speaker Demuth, and Representative Warwas continued to quote the shooter's manifesto on the House floor even after other Representatives raised points of order objecting to the shooter's manifesto being read aloud, out of respect for the victims and their families.

For the victims' families, hearing elected officials read aloud from the writings of a person who murdered or injured their children was painful, unsettling, and traumatic. Repeating the words of the shooter in a public and official platform also raises serious public safety risks. Decades of research show that notoriety and fame is a well-known motivating factor in mass killings. Responsible action is critical to reducing potential copycat crimes, which is why experts and the FBI warn against publicly amplifying or reporting the words or notoriety of perpetrators. Journalists and public leaders are encouraged to center victims and communities and avoid amplifying the people who perpetuate these horrific acts.

We the undersigned find Representative Altendorf and Representative Warwas exercised extremely bad judgement that undermined participation in representative democracy, and we admonish them for their actions. Representative Altendorf and Representative Warwas did not act with respect or exercise sound judgement and therefore violated House rules and policies.

We request Representative Altendorf and Representative Warwas apologize for their actions and strive to repair the damage they have caused to the victims and families of the Annunciation Church and School, as well as the broader public. We request that the Speaker, Floor Leaders, and the House Human Resources do all that is within their power to ensure that decorum is upheld in official House proceedings.

Further, pursuant to Article IV, Section 11 of the Minnesota Constitution, we direct that our protest and dissent be entered into the Journal of the House of Representatives.

Signed,

EMMA GREENMAN
ZACH STEPHENSON
JAMIE LONG
ATHENA HOLLINS
ESTHER AGBAJE
MICHAEL HOWARD
AISHA GOMEZ

KATIE JONES
SYDNEY JORDAN
FUE LEE
ANQUAM MAHAMOUD
MOHAMUD NOOR
SAMANTHA SENCER-MURA

ADJOURNMENT

Niska moved that when the House adjourns today it adjourn until 4:00 p.m., Wednesday, April 22, 2026. The motion prevailed.

Niska moved that the House adjourn. The motion prevailed, and Speaker pro tempore Olson declared the House stands adjourned until 4:00 p.m., Wednesday, April 22, 2026.

PATRICK DUFFY MURPHY, Chief Clerk, House of Representatives

