

STATE OF MINNESOTA

# Journal of the House

NINETY-FOURTH SESSION — 2025

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TWENTY-FIRST LEGISLATIVE DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 21, 2025

The House of Representatives convened at 12:00 noon and was called to order by Lisa Demuth, Speaker of the House.

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

A quorum was present.

Robbins was excused.

Pursuant to Rule 10.05, relating to Remote House Operations, the Speaker permitted the following member to vote via remote means: Swedzinski.

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Pursuant to Rule 10.05, relating to Remote House Operations, the Speaker permitted the following member to vote via remote means between the hours of 12:00 noon and 1:25 p.m.: Engen.

Pursuant to Rule 10.05, relating to Remote House Operations, the DFL Caucus Leader permitted the following members to vote via remote means: Hill, Keeler and Norris.

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

### PETITIONS AND COMMUNICATIONS

The following communication was received:

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

The Honorable Lisa Demuth  
Speaker of the House of Representatives

The Honorable Bobby Joe Champion  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2025 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2025</i>	<i>Date Filed 2025</i>
823		3	2:16 p.m. April, 10	April 10
1360		4	2:18 p.m. April, 10	April 10

Sincerely,

STEVE SIMON  
Secretary of State

### REPORTS OF STANDING COMMITTEES AND DIVISIONS

Freiberg and Quam from the Committee on Elections Finance and Government Operations to which was referred:

H. F. No. 1943, A bill for an act relating to elections; transferring money to the Help America Vote Act account.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **ELECTIONS AND CAMPAIGN FINANCE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, and are available for the fiscal years 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 year 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.

	<b><u>APPROPRIATIONS</u></b> <b><u>Available for the Year</u></b> <b><u>Ending June 30</u></b>	
	<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD</u></b>	<b><u>\$1,819,000</u></b>	<b><u>\$1,846,000</u></b>

The base for this appropriation is \$1,846,000 in fiscal year 2028 and thereafter.

Sec. 3. <b><u>SECRETARY OF STATE</u></b>	<b><u>\$200,000</u></b>	<b><u>\$-0-</u></b>
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This appropriation is for transfer to the Help America Vote Act account established in Minnesota Statutes, section 5.30, and is credited to the state match requirement of the Further Consolidated Appropriations Act of 2024, Public Law 118-47."

Delete the title and insert:

"A bill for an act relating to elections; providing funding for elections and campaign finance; transferring money; appropriating money."

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2300, A bill for an act relating to judiciary; eliminating certification of certain juvenile court expenses; modifying filing, copying, printing, and distribution of certain court papers; appropriating money; amending Minnesota Statutes 2024, sections 484.44; 484.51; 518.68, subdivision 1; 524.5-420.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
JUDICIARY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year 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.

	<b><u>APPROPRIATIONS</u></b> <b><u>Available for the Year</u></b> <b><u>Ending June 30</u></b>	
	<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>SUPREME COURT</u></b>	<b><u>\$58,753,000</u></b>	<b><u>\$50,223,000</u></b>
(a) <b><u>Contingent Account</u></b>		
<u>\$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.</u>		
(b) <b><u>Digital Accessibility</u></b>		
<u>\$1,124,000 the first year is to ensure equal access to online court resources. This appropriation is available until June 30, 2029.</u>		
(c) <b><u>Court Cyber Security</u></b>		
<u>\$3,500,000 the first year is for the judicial branch cyber security program. This appropriation is available until June 30, 2029.</u>		
(d) <b><u>Justice Partner Access</u></b>		
<u>\$4,000,000 the first year is to improve justice partner access to documents and court information. This appropriation is available until June 30, 2029.</u>		
Sec. 3. <b><u>COURT OF APPEALS</u></b>	<b><u>\$15,578,000</u></b>	<b><u>\$15,609,000</u></b>
Sec. 4. <b><u>DISTRICT COURTS</u></b>	<b><u>\$407,318,000</u></b>	<b><u>\$392,528,000</u></b>
(a) <b><u>Psychological Services</u></b>		
<u>\$10,634,000 the first year is for the psychological and psychiatric examiner services program, which delivers statutorily mandated psychological examinations for civil commitment, criminal competency, and criminal responsibility evaluations. This appropriation is available until June 30, 2029.</u>		

**(b) Interpreter Services**

\$2,580,000 the first year is for mandated interpreter services. This appropriation is available until June 30, 2029.

**(c) Increased Cost of Jury Program**

\$1,576,000 the first year is for increased costs of jury programs. This appropriation is available until June 30, 2029.

Sec. 5. <b><u>BOARD OF CIVIL LEGAL AID</u></b>	<b><u>\$35,353,000</u></b>	<b><u>\$35,353,000</u></b>
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Sec. 6. <b><u>GUARDIAN AD LITEM BOARD</u></b>	<b><u>\$26,607,000</u></b>	<b><u>\$26,625,000</u></b>
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**Volunteer Guardians ad Litem**

\$229,000 the first year and \$247,000 the second year are for supervising volunteer guardians ad litem.

Sec. 7. <b><u>TAX COURT</u></b>	<b><u>\$2,306,000</u></b>	<b><u>\$2,307,000</u></b>
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Sec. 8. <b><u>UNIFORM LAWS COMMISSION</u></b>	<b><u>\$115,000</u></b>	<b><u>\$115,000</u></b>
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Sec. 9. <b><u>BOARD ON JUDICIAL STANDARDS</u></b>	<b><u>\$654,000</u></b>	<b><u>\$655,000</u></b>
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**(a) Availability of Appropriation**

If the appropriation for either year is insufficient, the appropriation for the other fiscal year is available.

**(b) Major Disciplinary Actions**

\$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures until June 30, 2029.

Sec. 10. <b><u>BOARD OF PUBLIC DEFENSE</u></b>	<b><u>\$167,130,000</u></b>	<b><u>\$167,130,000</u></b>
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Sec. 11. <b><u>HUMAN RIGHTS</u></b>	<b><u>\$8,847,000</u></b>	<b><u>\$8,854,000</u></b>
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Sec. 12. <b><u>OFFICE OF APPELLATE COUNSEL AND TRAINING</u></b>	<b><u>\$1,361,000</u></b>	<b><u>\$1,361,000</u></b>
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Sec. 13. <b><u>COMPETENCY ATTAINMENT BOARD</u></b>	<b><u>\$10,900,000</u></b>	<b><u>\$11,165,000</u></b>
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Sec. 14. <b><u>CANNABIS EXPUNGEMENT BOARD</u></b>	<b><u>\$5,356,000</u></b>	<b><u>\$5,371,000</u></b>
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Sec. 15. **SECRETARY OF STATE****\$-0-****\$18,000****Personal Information of Judicial Officials**

\$18,000 the second year is to protect personal information of judicial officials contained in real property records pursuant to Minnesota Statutes, section 480.50. This appropriation is onetime.

Sec. 16. **OFFICE OF APPELLATE COUNSEL AND TRAINING; REDUCTION.**

The commissioner of management and budget shall reduce the appropriation to the Office of Appellate Counsel and Training for fiscal years 2024 and 2025 in Laws 2023, chapter 52, article 1, section 11, by \$2,000,000.

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

Sec. 17. **STATE COMPETENCY ATTAINMENT BOARD; REDUCTION.**

The commissioner of management and budget shall reduce the appropriation to the State Competency Attainment Board for fiscal years 2024 and 2025 in Laws 2023, chapter 52, article 1, as amended by Laws 2023, chapter 73, section 3, by \$11,000,000.

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

Sec. 18. **CANNABIS EXPUNGEMENT BOARD; REDUCTION.**

The commissioner of management and budget shall reduce the appropriation to the Cannabis Expungement Board for fiscal years 2024 and 2025 in Laws 2023, chapter 63, article 9, section 4, by \$10,000,000.

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

Sec. 19. **JUSTICE PARTNER ACCESS; FEE.**

The Minnesota Judicial Branch may charge a fee to private attorneys for improved access to documents and court information and retain any money collected. The fee may be imposed by rule or policy.

ARTICLE 2  
JUDICIARY POLICY

Section 1. **[13.891] RESTORATIVE PRACTICE PARTICIPANT DATA.**

(a) For purposes of this section, "restorative practice participant" has the meaning given in section 595.02, subdivision 1b, paragraph (a), clause (2).

(b) Data collected, created, or maintained by a government entity that identifies an individual as a restorative practice participant is private data on individuals but may be disclosed for the purposes described in section 595.02, subdivision 1b, paragraph (b), clauses (1) to (3), or paragraph (c). This section does not apply to personnel data, as defined in section 13.43, subdivision 1, or to an individual who receives payment to facilitate a restorative practice, as defined in section 142A.76, subdivision 1.

Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 8, is amended to read:

Subd. 8. **Report.** By February 15 of each year, the director shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, human services, and education, on the work of the Office of Restorative Practices, any grants issued pursuant to this section, and the status of local restorative practices initiatives in the state that were reviewed in the previous year. The status report should include information provided by the grantees on their program's impact on recidivism, public safety, and local financial investments in restorative practices. Grantees must provide this information to the Office of Restorative Practices by November 15 of each year.

Sec. 3. Minnesota Statutes 2024, section 260C.419, subdivision 2, is amended to read:

Subd. 2. **Statewide Office of Appellate Counsel and Training; establishment.** (a) The Statewide Office of Appellate Counsel and Training is ~~established as an independent state office~~ created as an agency in the executive branch, with powers and duties established by law. The office shall be responsible for:

(1) establishing and maintaining a system for providing appellate representation to parents in juvenile protection matters, as provided in section 260C.163, subdivision 3, paragraph (c), and in Tribal court jurisdictions;

(2) providing training to all parent attorneys practicing in the state on topics relevant to their practice and establishing practice standards and training requirements for parent attorneys practicing in the state; and

(3) collaborating with the Minnesota Department of Children, Youth, and Families to coordinate and secure federal Title IV-E support for counties and Tribes interested in accessing federal funding.

(b) The office shall be governed by a board as provided in subdivision 3.

Sec. 4. Minnesota Statutes 2024, section 260C.419, subdivision 3, is amended to read:

Subd. 3. **State Board of Appellate Counsel and Training; structure; membership.** (a) The State Board of Appellate Counsel and Training is established to direct the Statewide Office of Appellate Counsel and Training. The board shall consist of seven members, including:

(1) four public members appointed by the governor; and

(2) three members appointed by the supreme court, at least one of whom must have experience representing parents in juvenile court and who include two attorneys admitted to practice law in the state and one public member.

(b) The appointing authorities may not appoint any of the following to be a member of the board:

(1) a person who is a judge;

(2) a person who is a registered lobbyist;

(3) a person serving as a guardian ad litem or counsel for a guardian ad litem;

(4) a person who serves as counsel for children in juvenile court;

(5) a person under contract with or employed by the Department of Children, Youth, and Families or a county department of human or social services; or

(6) a current city or county attorney or assistant city or county attorney.

(c) All members shall demonstrate an interest in maintaining a high quality, independent appellate defense system for parents in juvenile protection proceedings who are unable to obtain adequate representation, a robust program for parent attorneys in Minnesota, and an efficient coordination effort, in collaboration with the Department of Children, Youth, and Families, to secure and utilize Title IV-E funding. At least one member of the board appointed by the governor must be a representative from a federally recognized Indian Tribe. No more than five members of the board may belong to the same political party. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. To the extent practicable, the membership of the board must include persons with disabilities, reflect the ethnic diversity of the state, take into consideration race and gender, and include persons from throughout the state. The members shall be well acquainted with representing parents in district court and appellate proceedings related to child protection matters as well as the law that affects a parent attorney's work, including chapter 260C, the Rules of Juvenile Protection Procedure, the Rules of Civil Appellate Procedure, the Indian Child Welfare Act, and the Minnesota Indian Family Preservation Act. The terms, compensation, and removal of members shall be as provided in section 15.0575. The governor shall designate one member to serve as the initial chair. Upon the expiration of the initial chair's term, board members shall elect a chair from among the membership and the chair shall serve a term of two years.

Sec. 5. Minnesota Statutes 2024, section 260C.419, subdivision 4, is amended to read:

Subd. 4. **Head appellate counsel for parents; assistant ~~and contracted~~ attorneys; other employees.** (a) Beginning January 1, 2024, and for every four years after that date, the board shall appoint a head appellate counsel in charge of executing the responsibilities of the office who shall provide for sufficient appellate counsel for parents and other personnel necessary to discharge the functions of the office. The head appellate counsel shall serve a four-year term and may be removed only for cause upon the order of the board. The head appellate counsel shall be a full-time ~~qualified~~ attorney, licensed to practice law in this state, and serve in the unclassified service of the state. Vacancies of the office shall be filled by the appointing authority for the unexpired term. The head appellate counsel shall devote full time to the performance of duties and shall not engage in the general practice of law. ~~The compensation salary of the head appellate counsel shall be set by the board and shall be commensurate with county attorneys in the state according to section 43A.18, subdivision 3.~~

(b) ~~Consistent with the decisions of the board,~~ The head appellate counsel shall employ ~~assistants or hire independent contractors or appoint attorneys~~ to serve as assistant appellate counsel for parents. Each assistant appellate counsel ~~and independent contractor~~ serves at the pleasure of the head appellate counsel. ~~The compensation of salary ranges for assistant appellate counsel and independent contractors shall be set by the board and shall be commensurate with county attorneys in the state in consultation with Minnesota Management and Budget.~~

(c) A person serving as appellate counsel shall be ~~a qualified an~~ attorney licensed to practice law in this state. A person serving as appellate counsel practicing in Tribal court shall be a licensed attorney qualified to practice law in Tribal courts in the state. Assistant appellate counsel and contracted appellate counsel may engage in the general practice of law where not employed or contracted to provide services on a full-time basis.

(d) The head appellate counsel shall, consistent with the responsibilities under subdivision 2, employ or hire the following:

- (1) one managing appellate attorney;
- (2) two staff attorneys;
- (3) one director of training;



(4) one program administrator to support Title IV-E reimbursement in collaboration with the Department of Children, Youth, and Families; and

(5) one office administrator.

(e) ~~Each employee~~ All attorneys identified in paragraph (d) serves serve at the pleasure of the head appellate counsel. ~~The Other employees shall serve in the classified service. Compensation of each employee for all employees shall be set by the board and shall be commensurate with county attorneys in the state. in accordance with the collective bargaining agreements or compensation plans covering the terms and conditions for executive branch employees.~~

(f) Any person serving as managing appellate attorney, staff attorney, and director of training shall be a qualified attorney licensed to practice law in the state.

(g) A person serving as the program administrator and office administrator must be chosen solely on the basis of training, experience, and qualifications.

Sec. 6. Minnesota Statutes 2024, section 480.243, is amended by adding a subdivision to read:

Subd. 3. **Report to legislature.** The State Board of Civil Legal Aid shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over judiciary on data related to the cases and individuals and families serviced by each of the grant recipients providing legal services with funds received pursuant to section 480.242. The data shall be provided for each individual organization and, when possible, for each geographic region the organization works in, and provided in the aggregate to protect the privacy of the individuals and families served by the organization. Reports under this section shall be submitted by July 15 each year.

Sec. 7. Minnesota Statutes 2024, section 480.35, is amended by adding a subdivision to read:

Subd. 8. **Annual report to the legislature.** By January 15 of each year, the State Guardian ad Litem Board must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over judiciary finance, in compliance with sections 3.195 and 3.197. The report must not contain data on individuals but may contain summary data, as those terms are defined in section 13.02. The report must include the number of:

(1) board personnel, including volunteers;

(2) children served by guardians ad litem in court cases, including Native American children in Minnesota Indian Family Preservation Act cases and federal Indian Child Welfare Act cases;

(3) court reports filed by guardians ad litem;

(4) cases assigned;

(5) hours worked;

(6) complaints regarding a guardian submitted to the board;

(7) investigations of complaints performed by the board; and

(8) complaints that result in discipline to a guardian ad litem.

All information in clauses (1) to (8) must be disaggregated by paid staff and volunteers.

Sec. 8. Minnesota Statutes 2024, section 484.44, is amended to read:

**484.44 DEPUTY SHERIFF AND COURT ADMINISTRATOR; ST. LOUIS COUNTY.**

There shall be at all times a chief deputy sheriff of St. Louis County and a chief deputy court administrator of the district court of St. Louis County and such other deputies as may be necessary, resident at the city of Virginia, or the city of Ely, or the city of Hibbing, and their appointment shall be made in the same manner as other deputy sheriffs and deputy clerks of the district court in said county. The salaries of such deputies shall be fixed and paid in the same manner as other such deputies. The office of said deputy sheriff at Virginia, Hibbing, and Ely shall not in any sense be considered or deemed the office of the sheriff for any purpose except the performance of duties relating solely to proceedings tried or to be tried at said places; but the office of the deputy court administrator at said places shall be equally deemed the office of the court administrator of court for all purposes ~~except the filing of papers in actions or proceedings to be tried at Duluth~~. Marriage licenses and naturalization papers may be issued by said deputy court administrator.

Sec. 9. Minnesota Statutes 2024, section 484.51, is amended to read:

**484.51 PAPERS WHERE FILED; ST. LOUIS COUNTY.**

~~After~~ Regardless of the place of trial of any cause is determined, as provided in sections 484.44 to 484.52, all papers, orders and documents pertaining to all causes ~~to be tried at Virginia and filed in court shall be filed and be kept on file at the court administrator's office in the city of Virginia, and all causes to be tried in Hibbing and all papers, orders and documents pertaining thereto shall be filed and be kept on file at the court administrator's office in the city of Hibbing~~ can be filed at any court location in St. Louis County.

In all actions tried at the city of Virginia or the city of Hibbing, the court administrator, as soon as final judgment is entered, shall forthwith cause such judgment to be docketed in the court administrator's office at the county seat; and when so docketed the same shall become a lien on real estate and have the same effect as judgments entered in causes tried at the county seat.

In all actions tried at the city of Virginia or the city of Hibbing, involving the title of real estate, upon final judgment being entered, all the papers in said cause shall be filed in the court administrator's office at the county seat and the final judgment or decree recorded therein, and a certified copy of all papers in the case shall be made by the court administrator and retained at the court administrator's office in the city of Virginia or in the court administrator's office in the city of Hibbing where the action was originally tried, without additional charge to the parties to said action.

Sec. 10. Minnesota Statutes 2024, section 518.68, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** Every court order or judgment and decree under this chapter or chapter 518A that provides for child support, spousal maintenance, custody, or parenting time must contain certain notices as set out in subdivision 2. The information in the notices must be concisely stated in plain language. ~~The notices must be and in clearly legible print, but may not exceed two pages.~~ An order or judgment and decree without the notice remains subject to all statutes. The court may waive all or part of the notice required under subdivision 2 relating to parental rights under section 518.17, subdivision 3, if it finds it is necessary to protect the welfare of a party or child.

Sec. 11. Minnesota Statutes 2024, section 518B.01, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms ~~shall~~ have the meanings given ~~them~~:

(a) "Domestic abuse" means the following, if committed against a family or household member by a family or household member:

(1) physical harm, bodily injury, or assault;

(2) the infliction of fear of imminent physical harm, bodily injury, or assault; or

(3) terroristic threats, within the meaning of section 609.713, subdivision 1; criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, 609.345, or 609.3451; sexual extortion within the meaning of section 609.3458; or interference with an emergency call within the meaning of section 609.78, subdivision 2.

(b) "Family or household members" means:

(1) spouses and former spouses;

(2) parents and children;

(3) persons related by blood;

(4) persons who are presently residing together or who have resided together in the past;

(5) persons who have a child in common regardless of whether they have been married or have lived together at any time;

(6) a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time; and

(7) persons involved in a significant romantic or sexual relationship.

Issuance of an order for protection on the ground in clause (6) does not affect a determination of paternity under sections 257.51 to 257.74. In determining whether persons are or have been involved in a significant romantic or sexual relationship under clause (7), the court shall consider the length of time of the relationship; type of relationship; frequency of interaction between the parties; and, if the relationship has terminated, length of time since the termination.

(c) "Qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16.

(d) "Custodian" means any person other than the petitioner or respondent who ~~is under a legal obligation to provide care and support for a minor child of a petitioner or who is in fact providing care and support for a minor child of a petitioner. Custodian does not include any person caring for a minor child if the petitioner's parental rights have been terminated.~~ has:

(1) physical or legal custody under section 257.541, subdivision 1, physical or legal custody pursuant to any court order, or physical custody with the consent of a custodial parent; or

(2) court-ordered parenting time.

Sec. 12. Minnesota Statutes 2024, section 524.5-420, is amended to read:

**524.5-420 REPORTS; APPOINTMENT OF VISITOR; MONITORING; COURT ORDERS.**

(a) A conservator shall report to the court for administration of the estate annually unless the court otherwise directs, upon resignation or removal, upon termination of the conservatorship, and at other times as the court directs. A copy of the report must be provided to the person subject to conservatorship and to interested persons of record with the court. An order, after notice and hearing, allowing an intermediate report of a conservator adjudicates liabilities concerning the matters adequately disclosed in the accounting. An order, after notice and hearing, allowing a final report adjudicates all previously unsettled liabilities relating to the conservatorship.

(b) A report must state or contain a listing of the assets of the estate under the conservator's control and a listing of the receipts, disbursements, and distributions during the reporting period.

(c) The report must also state an address or post office box and a telephone number where the conservator can be contacted.

(d) A conservator shall report to the court in writing within 30 days of the occurrence of any of the events listed in this paragraph. The conservator must report any of the occurrences in this paragraph and follow the same reporting requirements in this paragraph for any employee of the conservator responsible for exercising powers and duties under the conservatorship. A copy of the report must be provided to the person subject to conservatorship and to interested persons of record with the court. A conservator shall report when:

(1) the conservator is removed for cause from serving as a guardian or conservator, and if so, the case number and court location;

(2) the conservator has a professional license from an agency listed under section 524.5-118, subdivision 2a, denied, conditioned, suspended, revoked, or canceled, and if so, the licensing agency and license number, and the basis for denial, condition, suspension, revocation, or cancellation of the license;

(3) the conservator is found civilly liable in an action that involves fraud, misrepresentation, material omission, misappropriation, theft, or conversion, and if so, the case number and court location;

(4) the conservator files for or receives protection under the bankruptcy laws, and if so, the case number and court location;

(5) a civil monetary judgment is entered against the conservator, and if so, the case number, court location, and outstanding amount owed;

(6) the conservator is convicted of a crime other than a petty misdemeanor or traffic offense, and if so, the case number and court location; or

(7) an order for protection or harassment restraining order is issued against the conservator, and if so, the case number and court location.

(e) A person subject to conservatorship or an interested person of record with the court may submit to the court a written statement disputing account statements regarding the administration of the estate or addressing any disciplinary or legal action that is contained in the reports and may petition the court for any order that is in the best interests of the person subject to conservatorship and the estate or for other appropriate relief.

(f) An interested person may notify the court in writing that the interested person does not wish to receive copies of reports required under this section after which time neither the court nor any other person is required to give notice to any person who has waived notice.

(g) The court may appoint a visitor to review a report or plan, interview the person subject to conservatorship or conservator, and make any other investigation the court directs. In connection with a report, the court may order a conservator to submit the assets of the estate to an appropriate examination to be made in a manner the court directs.

(h) The court shall establish a system for monitoring of conservatorships, including the filing and review of conservators' reports and plans. If an annual report is not filed within 60 days of the required date, the court shall issue an order to show cause. Unless otherwise ordered by the court, a report under this section shall be filed publicly.

(i) If there is no acting guardian, a conservator that becomes aware of the death of the person subject to conservatorship shall notify in writing; orally; or by phone, text message, email, or electronic service, all known interested persons as defined by section 524.5-102, subdivision 7, clauses (iii), (iv), (v), (vi), (ix), and (xi), and the court as soon as is reasonably practical, that the person subject to conservatorship has died. The conservator may delegate this task under reasonable circumstances.

(j) If a conservator fails to comply with this section, the court may decline to appoint that person as a guardian or conservator, or may remove a person as guardian or conservator.

Sec. 13. Minnesota Statutes 2024, section 595.02, is amended by adding a subdivision to read:

**Subd. 1b. Inadmissibility; exceptions.** (a) For purposes of this subdivision:

(1) "restorative practice" has the meaning given in section 142A.76, subdivision 1; and

(2) "restorative practice participant" means a facilitator, a person who has caused harm, a person who has been harmed, a community member, and any other person attending a restorative practice.

(b) Statements made or documents offered in the course of a restorative practice are not subject to discovery or admissible as evidence in a civil or criminal proceeding. This paragraph does not apply:

(1) to statements or documents that are the subject of a report made pursuant to section 626.557 or chapter 260E;

(2) if a restorative practice participant reasonably believed that disclosure of a statement or document was necessary to prevent reasonably certain death, great bodily harm, or commission of a crime; or

(3) if the statement or document constitutes evidence of professional misconduct by a restorative practice participant acting in the capacity of their professional or occupational license.

(c) Notwithstanding paragraph (b), if a court orders a person who caused harm to participate in a restorative practice, a person overseeing the restorative practice may disclose information necessary to demonstrate whether the person who caused harm participated as ordered.

(d) Evidence that is otherwise admissible or subject to discovery does not become inadmissible or protected from discovery solely because it was discussed or used in a restorative practice.

Sec. 14. Minnesota Statutes 2024, section 611.45, subdivision 3, is amended to read:

Subd. 3. **Dismissal of criminal charge.** (a) If the court finds the defendant incompetent, and the charge is a misdemeanor other than a targeted misdemeanor, the charge must be dismissed.

(b) In targeted misdemeanor and gross misdemeanor cases, the charges must be dismissed 30 days after the date of the finding of incompetence, unless the prosecutor, before the expiration of the 30-day period, files a written notice of intent to prosecute when the defendant attains competency. If a notice has been filed and the charge is a targeted misdemeanor, charges must be dismissed within one year after the finding of incompetence. If a notice has been filed and the charge is a gross misdemeanor, charges must be dismissed within two years after the finding of incompetence.

(c) In felony cases, except as provided in paragraph (d), the charges must be dismissed three years after the date of the finding of incompetency, unless the prosecutor, before the expiration of the three-year period, files a written notice of intent to prosecute when the defendant attains competency. If a notice has been filed, charges must be dismissed within five years after the finding of incompetency or ten years if the maximum sentence for the crime with which the defendant is charged is ten years or more.

(d) The requirement that felony charges be dismissed under paragraph (c) does not apply if:

(1) the court orders continuing supervision or monitoring pursuant to section 611.49; or

(2) the defendant is charged with a violation of sections 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

(e) Nothing in this subdivision requires dismissal of any charge if the court finds the defendant competent and enters an order directing that the criminal proceedings shall resume.

Sec. 15. Minnesota Statutes 2024, section 611.46, subdivision 2, is amended to read:

Subd. 2. ~~Supervision~~ **Forensic navigator monitoring.** (a) Upon a finding of incompetency, if the defendant is entitled to release, the court must determine whether the defendant requires pretrial supervision. The court must weigh public safety risks against the defendant's interests in remaining free from supervision while presumed innocent in the criminal proceedings. The court may use a validated and equitable risk assessment tool to determine whether supervision is necessary.

(b) If the court determines that the defendant requires pretrial supervision, the court ~~shall~~ may direct the forensic navigator to ~~conduct pretrial supervision and report violations to the court. The forensic navigator shall be responsible for the supervision of the defendant until ordered otherwise by the court.~~ monitor the defendant's compliance or noncompliance with the conditions of release as provided in section 611.55, subdivision 3, paragraph (c). A forensic navigator may not conduct searches, seize property or persons, or issue sanctions.

(c) Upon application by the prosecutor, forensic navigator, other entity or its designee assigned to supervise the defendant, or court services alleging that the defendant violated a condition of release and is a risk to public safety, the court shall follow the procedures under Rules of Criminal Procedure, rule 6. Any hearing on the alleged violation of release conditions shall be held no more than 15 days after the date of issuance of a summons or within 72 hours if the defendant is apprehended on a warrant.

(d) If the court finds a violation, the court may revise the conditions of release and bail as appropriate pursuant to Minnesota Rules of Criminal Procedure and must consider the defendant's need for ongoing access to a competency attainment program or alternative program under this section.

(e) The court must review conditions of release and bail on request of any party and may amend the conditions of release or make any other reasonable order upon receipt of information that the pretrial detention of a defendant has interfered with the defendant attaining competency.

Sec. 16. Minnesota Statutes 2024, section 611.49, subdivision 2, is amended to read:

Subd. 2. **Procedure.** (a) If the court finds that there is a substantial probability that the defendant will attain competency within the reasonably foreseeable future, the court shall find the defendant incompetent and proceed under section 611.46.

(b) If the court finds that there is not a substantial probability the defendant will attain competency within the reasonably foreseeable future, the court may not order the defendant to participate in or continue to participate in a competency attainment program in a locked treatment facility. The court must release the defendant from any custody holds pertaining to the underlying criminal case and require the forensic navigator to develop a bridge plan.

(c) If the court finds that there is not a substantial probability the defendant will attain competency within the foreseeable future, the court may issue an order to the designated agency in the county of financial responsibility or the county where the defendant is present to conduct a prepetition screening pursuant to section 253B.07.

(d) If the court finds that there is not a substantial probability that the defendant will attain competency within the foreseeable future, the court must dismiss the case unless:

(1) the person is charged with a violation of section 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152; or

(2) there is a showing of a danger to public safety if the matter is dismissed.

(e) If the court does not dismiss the charges, the court must order continued supervision or monitoring under subdivision 3.

Sec. 17. Minnesota Statutes 2024, section 611.49, subdivision 3, is amended to read:

Subd. 3. **Continued supervision or monitoring.** (a) If the court orders the continued supervision or monitoring of a defendant, any party may request a hearing on the issue of continued supervision or monitoring by filing a notice no more than ten days after the order for continued supervision or monitoring.

(b) When continued supervision is ordered, the court must identify the ~~supervisory~~ agency responsible for the supervision of the defendant ~~and may identify a forensic navigator as the responsible entity.~~ Alternatively, the court may direct the forensic navigator to monitor the defendant's compliance or noncompliance with the conditions of release as provided in section 611.55, subdivision 3, paragraph (c). A forensic navigator may not conduct searches, seize property or persons, or issue sanctions.

(c) Notwithstanding the reporting requirements of section 611.46, subdivision 6, the court examiner must provide an updated report to the court one year after the initial order for continued supervision or monitoring as to the defendant's competency and a description of the efforts made to assist the defendant in attaining competency. The court shall hold a review hearing within 30 days of receipt of the report.

(d) If continued supervision or monitoring is ordered at the review hearing under paragraph (c), the court must set a date for a review hearing no later than two years after the most recent order for continuing supervision or monitoring. The court must order review of the defendant's status, including an updated competency examination and report by the court examiner. The court examiner must submit the updated report to the court. At the review hearing, the court must determine if the defendant has attained competency, whether there is a substantial probability that the defendant will attain competency within the foreseeable future, and whether the absence of continuing supervision or monitoring of the defendant is a danger to public safety. Notwithstanding subdivision 2, paragraph (d), the court may hear any motions to dismiss pursuant to the interest of justice at the review hearing.

(e) Continued supervision or monitoring of a defendant in cases where the most serious charge is a targeted misdemeanor or gross misdemeanor is subject to the limitations established in section 611.45, subdivision 3, paragraph (b).

(f) The court may not order continued supervision or monitoring of a defendant charged with a felony for more than ten years unless the defendant is charged with a violation of section 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

(g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, forensic navigator, and any entity responsible for the supervision of the defendant prior to any planned discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge. If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

(h) The court may provide, partner, or contract for pretrial supervision services or continued supervision if the defendant is found incompetent and unlikely to attain competency in the foreseeable future.

Sec. 18. Minnesota Statutes 2024, section 611.55, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) Forensic navigators shall assist and ~~supervise~~ monitor defendants when appointed to do so by a court. Forensic navigators shall be impartial in all legal matters relating to the criminal case. Nothing shall be construed to permit the forensic navigator to provide legal counsel as a representative of the court, prosecutor, or defense counsel.

(b) Forensic navigators shall provide services to assist defendants with mental illnesses and cognitive impairments. Services may include, but are not limited to:

(1) developing bridge plans;

(2) assisting defendants in participating in court-ordered examinations and hearings;



- (3) coordinating timely placement in court-ordered competency attainment programs;
  - (4) providing competency attainment education;
  - (5) reporting to the court on the progress of defendants found incompetent to stand trial;
  - (6) providing coordinating services to help defendants access mental health services, medical care, stable housing and housing assistance, financial assistance, social services, transportation, precharge and pretrial diversion, and other necessary services provided by other programs and community service providers;
  - (7) communicating with and offering supportive resources to defendants and family members of defendants; and
  - (8) providing consultation and education to court officials on emerging issues and innovations in serving defendants with mental illnesses in the court system.
- (c) When ordered to ~~supervise a defendant, a forensic navigator shall report to the court on~~ monitor a defendant's compliance or noncompliance with conditions of ~~pretrial supervision and any order of the court release under section 611.46, subdivision 2, paragraph (b), the forensic navigator shall provide updates to the court on a regular basis or when requested by the court or either party.~~
- (d) If a defendant's charges are dismissed, the appointed forensic navigator may continue assertive outreach with the individual for up to 90 days to assist in attaining stability in the community.

Sec. 19. Minnesota Statutes 2024, section 611.56, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) The Minnesota Competency Attainment Board is established in the judicial branch. The board is not subject to the administrative control of the judiciary. The board shall consist of seven members, including:

- (1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and
- (2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency attainment.

(b) The appointing authorities may not appoint an active judge to be a member of the board, but may appoint a retired judge.

(c) All members must demonstrate an interest in maintaining a high quality, independent forensic navigator program and a thorough process for certification of competency attainment programs. Members shall be familiar with the Minnesota Rules of Criminal Procedure, particularly rule 20; chapter 253B; and sections 611.40 to 611.59. ~~Following the initial terms of appointment, at least one member appointed by the supreme court must have previous experience working as a forensic navigator.~~ At least three members of the board shall live outside the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect the chair from among the membership for a term of two years.

Sec. 20. Minnesota Statutes 2024, section 611.59, subdivision 1, is amended to read:

Subdivision 1. **Availability and certification.** The board ~~must~~ will use available resources to provide ~~or contract for enough~~ competency attainment services to meet the needs of adult defendants in each judicial district who are found incompetent to proceed and do not have access to competency attainment services as a part of any

other programming in which they are ordered to participate. The board, in consultation with the Certification Advisory Committee, shall develop procedures to certify that the standards in this section are met, including procedures for regular recertification of competency attainment programs. The board shall maintain a list of programs it has certified on the board's website and shall update the list of competency attainment programs at least once every year.

Sec. 21. Minnesota Statutes 2024, section 611.59, subdivision 4, is amended to read:

Subd. 4. **Program evaluations.** (a) The ~~board~~ state court administrator shall ~~collect~~ prepare and make available to the board the following data:

- (1) the total number of competency examinations ordered in each judicial district separated by county;
  - (2) the age, race, and number of unique defendants and for whom at least one competency examination was ordered in each judicial district separated by county;
  - (3) the age, race, and number of unique defendants found incompetent at least once in each judicial district separated by county; and
  - (4) all available data on the level of charge and adjudication of cases with a defendant found incompetent ~~and whether a forensic navigator was assigned to the case.~~
- (b) By February 15 of each year, the board must report to the legislative committees and divisions with jurisdiction over human services, public safety, and the judiciary on the data collected under this subdivision and may include recommendations for statutory or funding changes related to competency attainment.

### ARTICLE 3 REAL PROPERTY; FORECLOSURES

Section 1. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

- (1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and
- (2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:
  - (i) of the postponement; and
  - (ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

- (1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

**EFFECTIVE DATE.** This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

**EFFECTIVE DATE.** This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 3. Minnesota Statutes 2024, section 581.02, is amended to read:

**581.02 APPLICATION, CERTAIN SECTIONS.**

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

**EFFECTIVE DATE.** This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

ARTICLE 4  
UNIFORM SPECIAL DEPOSITS ACT

Section 1. **[47.90] TITLE.**

Sections 47.90 to 47.985 may be cited as the "Uniform Special Deposits Act."

Sec. 2. **[47.905] DEFINITIONS.**

(a) For purposes of sections 47.90 to 47.985, the following terms have the meanings given.

(b) "Account agreement" means an agreement that:

(1) is in a record between a bank and one or more depositors;

(2) may have one or more beneficiaries as additional parties; and

(3) states the intention of the parties to establish a special deposit governed by sections 47.90 to 47.985.

(c) "Bank" means a person engaged in the business of banking and includes a savings bank; savings and loan association; credit union; trust company; and a banking institution, as defined in section 48.01, subdivision 2. Each branch or separate office of a bank is a separate bank for the purpose of sections 47.90 to 47.985.

(d) "Beneficiary" means a person that:

(1) is identified as a beneficiary in an account agreement; or

(2) if not identified as a beneficiary in an account agreement, may be entitled to payment from a special deposit:

(i) under the account agreement; or

(ii) on termination of the special deposit.

(e) "Contingency" means an event or circumstance stated in an account agreement that is not certain to occur but must occur before the bank is obligated to pay a beneficiary.

(f) "Creditor process" means attachment, garnishment, levy, notice of lien, sequestration, or similar process issued by or on behalf of a creditor or other claimant.

(g) "Depositor" means a person that establishes or funds a special deposit.

(h) "Good faith" means honesty in fact and observance of reasonable commercial standards of fair dealing.

(i) "Knowledge" of a fact means:

(1) with respect to a beneficiary, actual knowledge of the fact; or

(2) with respect to a bank holding a special deposit:

(i) if the bank:

(A) has established a reasonable routine for communicating material information to an individual to whom the bank has assigned responsibility for the special deposit; and

(B) maintains reasonable compliance with the routine, actual knowledge of the fact by that individual; or

(ii) if the bank has not established and maintained reasonable compliance with a routine described in item (i) or otherwise exercised due diligence, implied knowledge of the fact that would have come to the attention of an individual to whom the bank has assigned responsibility for the special deposit.

(j) "Obligated to pay a beneficiary" means a beneficiary is entitled under the account agreement to receive from the bank a payment when:

(1) a contingency has occurred; and

(2) the bank has knowledge the contingency has occurred.

"Obligation to pay a beneficiary" has a corresponding meaning.

(k) "Permissible purpose" means a governmental, regulatory, commercial, charitable, or testamentary objective of the parties stated in an account agreement. Permissible purpose includes an objective to:

(1) hold funds;

(i) in escrow, including for a purchase and sale, lease, buyback, or other transaction;

(ii) as a security deposit of a tenant;

(iii) that may be distributed to a person as remuneration, retirement or other benefit, or compensation under a judgment, consent decree, court order, or other decision of a tribunal; or

(iv) for distribution to a defined class of persons after identification of the class members and their interest in the funds;

(2) provide assurance with respect to an obligation created by contract, such as earnest money to ensure a transaction closes;

(3) settle an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure;

(4) provide assurance with respect to an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure; or

(5) hold margin, other cash collateral, or funds that support the orderly functioning of financial market infrastructure or the performance of an obligation with respect to the infrastructure.

(l) "Person" means an individual; estate; business or nonprofit entity; government or governmental subdivision, agency, or instrumentality; or other legal entity. Person includes a protected series, however denominated, of an entity if the protected series is established under law that limits, or limits if conditions specified under law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series.

(m) "Record" means information:

(1) inscribed on a tangible medium; or

(2) stored in an electronic or other medium and retrievable in perceivable form.

(n) "Special deposit" means a deposit that satisfies section 47.92.

(o) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any other territory or possession subject to the jurisdiction of the United States. State includes an agency or instrumentality of the state.

Sec. 3. **[47.91] SCOPE; CHOICE OF LAW; FORUM.**

(a) Sections 47.90 to 47.985 apply to a special deposit under an account agreement that states the intention of the parties to establish a special deposit governed by sections 47.90 to 47.985, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

(b) The parties to an account agreement may choose a forum in this state for settling a dispute arising out of the special deposit, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

(c) Sections 47.90 to 47.985 do not affect:

(1) a right or obligation relating to a deposit other than a special deposit under sections 47.90 to 47.985; or

(2) the voidability of a deposit or transfer that is fraudulent or voidable under other law.

Sec. 4. **[47.915] VARIATION BY AGREEMENT OF AMENDMENT.**

(a) The effect of sections 47.905 to 47.925, 47.935 to 47.96, and 47.975 may not be varied by agreement, except as provided in those sections. Subject to paragraph (b), the effect of sections 47.93, 47.965, and 47.97 may be varied by agreement.

(b) A provision in an account agreement or other record that substantially excuses liability or substantially limits remedies for failure to perform an obligation under sections 47.90 to 47.985 is not sufficient to vary the effect of a provision of sections 47.90 to 47.985.

(c) If a beneficiary is a party to an account agreement, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the agreement expressly permits the amendment.

(d) If a beneficiary is not a party to an account agreement and the bank and the depositor know the beneficiary has knowledge of the agreement's terms, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment does not adversely and materially affect a payment right of the beneficiary.

(e) If a beneficiary is not a party to an account agreement and the bank and the depositor do not know whether the beneficiary has knowledge of the agreement's terms, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment is made in good faith.

Sec. 5. **[47.92] REQUIREMENTS OF SPECIAL DEPOSIT.**

A deposit is a special deposit if it is:

(1) a deposit of funds in a bank under an account agreement;

(2) for the benefit of at least two beneficiaries, one or more of which may be a depositor;

(3) denominated in a medium of exchange that is currently authorized or adopted by a domestic or foreign government;

(4) for a permissible purpose stated in the account agreement; and

(5) subject to a contingency.

Sec. 6. **[47.925] PERMISSIBLE PURPOSE.**

(a) A special deposit must serve at least one permissible purpose stated in the account agreement from the time the special deposit is created in the account agreement until termination of the special deposit.

(b) If, before termination of the special deposit, the bank or a court determines the special deposit no longer satisfies paragraph (a), sections 47.935 to 47.96 cease to apply to any funds deposited in the special deposit after the special deposit ceases to satisfy paragraph (a).

(c) If, before termination of a special deposit, the bank determines the special deposit no longer satisfies paragraph (a), the bank may take action it believes is necessary under the circumstances, including terminating the special deposit.

**Sec. 7. [47.93] PAYMENT TO BENEFICIARY BY BANK.**

(a) Unless the account agreement provides otherwise, the bank is obligated to pay a beneficiary if there are sufficient actually and finally collected funds in the balance of the special deposit.

(b) Except as provided in paragraph (c), the obligation to pay the beneficiary is excused if the funds available in the special deposit are insufficient to cover such payment.

(c) Unless the account agreement provides otherwise, if the funds available in the special deposit are insufficient to cover an obligation to pay a beneficiary, a beneficiary may elect to be paid the funds that are available or, if there is more than one beneficiary, a pro rata share of the funds available. Payment to the beneficiary making the election under this paragraph discharges the bank's obligation to pay a beneficiary and does not constitute an accord and satisfaction with respect to another person obligated to the beneficiary.

(d) Unless the account agreement provides otherwise, the obligation of the bank obligated to pay a beneficiary is immediately due and payable.

(e) The bank may discharge its obligation under this section by:

(1) crediting another transaction account of the beneficiary; or

(2) taking other action that:

(i) is permitted under the account agreement for the bank to obtain a discharge; or

(ii) otherwise would constitute a discharge under law.

(f) If the bank obligated to pay a beneficiary has incurred an obligation to discharge the obligation of another person, the obligation of the other person is discharged if action by the bank under paragraph (e) would constitute a discharge of the obligation of the other person under law that determines whether an obligation is satisfied.

**Sec. 8. [47.935] PROPERTY INTEREST OF DEPOSITOR OR BENEFICIARY.**

(a) Neither a depositor nor a beneficiary has a property interest in a special deposit.

(b) Any property interest with respect to a special deposit is only in the right to receive payment if the bank is obligated to pay a beneficiary and not in the special deposit itself. Any property interest under this paragraph is determined under other law.

**Sec. 9. [47.94] WHEN CREDITOR PROCESS ENFORCEABLE AGAINST BANK.**

(a) Subject to paragraph (b), creditor process with respect to a special deposit is not enforceable against the bank holding the special deposit.

(b) Creditor process is enforceable against the bank holding a special deposit with respect to an amount the bank is obligated to pay a beneficiary or a depositor if the process:

(1) is served on the bank;

(2) provides sufficient information to permit the bank to identify the depositor or the beneficiary from the bank's books and records; and



(3) gives the bank a reasonable opportunity to act on the process.

(c) Creditor process served on a bank before it is enforceable against the bank under paragraph (b) does not create a right of the creditor against the bank or a duty of the bank to the creditor. Other law determines whether creditor process creates a lien enforceable against the beneficiary on a contingent interest of a beneficiary, including a depositor as a beneficiary, even if not enforceable against the bank.

Sec. 10. **[47.945] INJUNCTION OR SIMILAR RELIEF.**

A court may enjoin, or grant similar relief that would have the effect of enjoining, a bank from paying a depositor or beneficiary only if payment would constitute a material fraud or facilitate a material fraud with respect to a special deposit.

Sec. 11. **[47.96] RECOUPMENT OR SET OFF.**

(a) Except as provided in paragraph (b) or (c), a bank may not exercise a right of recoupment or set off against a special deposit.

(b) An account agreement may authorize the bank to debit the special deposit:

(1) when the bank becomes obligated to pay a beneficiary, in an amount that does not exceed the amount necessary to discharge the obligation;

(2) for a fee assessed by the bank that relates to an overdraft in the special deposit account;

(3) for costs incurred by the bank that relate directly to the special deposit; or

(4) to reverse an earlier credit posted by the bank to the balance of the special deposit account, if the reversal occurs under an event or circumstance warranted under other law of this state governing mistake and restitution.

(c) The bank holding a special deposit may exercise a right of recoupment or set off against an obligation to pay a beneficiary, even if the bank funds payment from the special deposit.

Sec. 12. **[47.965] DUTIES AND LIABILITY OF BANK.**

(a) A bank does not have a fiduciary duty to any person with respect to a special deposit.

(b) When the bank holding a special deposit becomes obligated to pay a beneficiary, a debtor-creditor relationship arises between the bank and beneficiary.

(c) The bank holding a special deposit has a duty to a beneficiary to comply with the account agreement and sections 47.90 to 47.985.

(d) If the bank holding a special deposit does not comply with the account agreement or sections 47.90 to 47.985, the bank is liable to a depositor or beneficiary only for damages proximately caused by the noncompliance. Except as provided by other law of this state, the bank is not liable for consequential, special, or punitive damages.

(e) The bank holding a special deposit may rely on records presented in compliance with the account agreement to determine whether the bank is obligated to pay a beneficiary.

(f) If the account agreement requires payment on presentation of a record, the bank shall determine within a reasonable time whether the record is sufficient to require payment. If the agreement requires action by the bank on presentation of a record, the bank is not liable for relying in good faith on the genuineness of the record if the record appears on its face to be genuine.

(g) Unless the account agreement provides otherwise, the bank is not required to determine whether a permissible purpose stated in the agreement continues to exist.

Sec. 13. **[47.97] TERM AND TERMINATION.**

(a) Unless otherwise provided in the account agreement, a special deposit terminates five years after the date the special deposit was first funded.

(b) Unless otherwise provided in the account agreement, if the bank cannot identify or locate a beneficiary entitled to payment when the special deposit is terminated, and a balance remains in the special deposit, the bank shall pay the balance to the depositor or depositors as a beneficiary or beneficiaries.

(c) A bank that pays the remaining balance as provided under paragraph (b) has no further obligation with respect to the special deposit.

Sec. 14. **[47.985] TRANSITIONAL PROVISION.**

Sections 47.90 to 47.985 apply to:

(1) a special deposit made under an account agreement executed on or after August 1, 2025; and

(2) a deposit made under an agreement executed before August 1, 2025, if:

(i) all parties entitled to amend the agreement agree to make the deposit a special deposit governed by sections 47.90 to 47.985; and

(ii) the special deposit referenced in the amended agreement satisfies section 47.92.

ARTICLE 5  
GOVERNMENT DATA PRACTICES

Section 1. Minnesota Statutes 2024, section 13.03, subdivision 3, is amended to read:

Subd. 3. **Request for access to data.** (a) Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data.

(b) For purposes of this section, "inspection" includes, but is not limited to, the visual inspection of paper and similar types of government data. Inspection does not include printing copies by the government entity, unless printing a copy is the only method to provide for inspection of the data. In the case of data stored in electronic form and made available in electronic form on a remote access basis to the public by the government entity, inspection includes remote access to the data by the public and the ability to print copies of or download the data on the public's own computer equipment. Nothing in this section prohibits a government entity from charging a reasonable fee for remote access to data under a specific statutory grant of authority. A government entity may charge a fee for remote access to data where either the data or the access is enhanced at the request of the person seeking access.

(c) The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. However, if 100 or fewer pages of black and white, letter or legal size paper copies are requested, actual costs shall not be used, and instead, the responsible authority may charge no more than 25 cents for each page copied. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

(d) When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system developed with a significant expenditure of public funds by the government entity, the responsible authority may charge a reasonable fee for the information in addition to the costs of making and certifying the copies. Any fee charged must be clearly demonstrated by the government entity to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

(e) The responsible authority of a government entity that maintains public government data in a computer storage medium shall provide to any person making a request under this section a copy of any public data contained in that medium, in electronic form, if the government entity can reasonably make the copy or have a copy made. This does not require a government entity to provide the data in an electronic format or program that is different from the format or program in which the data are maintained by the government entity. The entity may require the requesting person to pay the actual cost of providing the copy.

(f) If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

(g) If a responsible authority has notified the requesting person that responsive data or copies are available for inspection or collection, and the requesting person does not inspect the data or collect the copies within five business days of the notification, the responsible authority may suspend any further response to the request until the requesting person inspects the data that has been made available, or collects and pays for the copies that have been produced.

Sec. 2. Minnesota Statutes 2024, section 13.32, subdivision 2, is amended to read:

Subd. 2. **Student health and census data; data on parents.** (a) Health data concerning students, including but not limited to, data concerning immunizations, notations of special physical or mental problems and records of school nurses are educational data. Access by parents to student health data shall be pursuant to section 13.02, subdivision 8.

(b) Pupil census data, including emergency information and family information are educational data.

~~(c) Data concerning parents are private data on individuals but may be treated as directory information if the same procedures that are used by a school district to designate student data as directory information under subdivision 5 are followed.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment. Beginning upon the effective date of this section, a parent's personal contact information subject to this section must be treated by an educational agency or institution as private data on individuals regardless of whether that contact information was previously designated as or treated as directory information under Minnesota Statutes, section 13.32, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information; data on parents.** (a) Educational data designated as directory information is public data on individuals to the extent required under federal law. Directory information must be designated pursuant to the provisions of:

(1) this subdivision; and

(2) United States Code, title 20, section 1232g, and Code of Federal Regulations, title 34, section 99.37, which were in effect on January 3, 2012.

(b) When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate specified data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

(c) An educational agency or institution may not designate a student's or parent's home address, telephone number, email address, or other personal contact information as directory information under this subdivision. This paragraph does not apply to a postsecondary institution.

(d) When requested, educational agencies or institutions must share personal student or parent contact information and directory information, whether public or private, with the Minnesota Department of Education, as required for federal reporting purposes.

(e) When requested, educational agencies or institutions may share personal student or parent contact information and directory information for students served in special education with postsecondary transition planning and services under section 125A.08, paragraph (b), clause (1), whether public or private, with the Department of Employment and Economic Development, as required for coordination of services to students with disabilities under sections 125A.08, paragraph (b), clause (1); 125A.023; and 125A.027.

(f) Data concerning parents is private data on individuals but may be treated as directory information if the same procedures that are used by a school district to designate student data as directory information under this subdivision are followed, except that a parent's home address, telephone number, email address, or other personal contact information may not be treated as directory information under this subdivision.

**EFFECTIVE DATE.** This section is effective the day following final enactment. Beginning upon the effective date of this section, a parent's personal contact information subject to this section must be treated by an educational agency or institution as private data on individuals regardless of whether that contact information was previously designated as or treated as directory information under Minnesota Statutes, section 13.32, subdivision 2.

Sec. 4. Minnesota Statutes 2024, section 13.43, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and subject to the limitations described in subdivision 5a, the following personnel data on current and former employees, volunteers, and independent contractors of a government entity is public:

(1) name; employee identification number, which must not be the employee's Social Security number; actual gross salary; salary range; terms and conditions of employment relationship; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title and bargaining unit; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the complete terms of any agreement settling any dispute arising out of an employment relationship, including a buyout agreement as defined in section 123B.143, subdivision 2, paragraph (a); except that the agreement must include specific reasons for the agreement if it involves the payment of more than \$10,000 of public money;

(7) work location; a work telephone number; badge number; work-related continuing education; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

(b) For purposes of this subdivision, a final disposition occurs when the government entity makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the government entity, or arbitrator. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. A disciplinary action does not become public data if an arbitrator sustains a grievance and reverses all aspects of any disciplinary action.

(c) The government entity may display a photograph of a current or former employee to a prospective witness as part of the government entity's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a government entity in connection with a complaint or charge against an employee.

(e) Notwithstanding paragraph (a), clause (5), and subject to paragraph (f), upon completion of an investigation of a complaint or charge against a public official, or if a public official resigns or is terminated from employment while the complaint or charge is pending, all data relating to the complaint or charge are public, unless access to the data would jeopardize an active investigation or reveal confidential sources. For purposes of this paragraph, "public official" means:

(1) the head of a state agency and deputy and assistant state agency heads;

(2) members of boards or commissions required by law to be appointed by the governor or other elective officers;

(3) members of the Metropolitan Council appointed by the governor under section 473.123, subdivision 3;

~~(3)~~ (4) executive or administrative heads of departments, bureaus, divisions, or institutions within state government; and

(4) (5) the following employees:

(i) the chief administrative officer, or the individual acting in an equivalent position, in all political subdivisions;

(ii) individuals required to be identified by a political subdivision pursuant to section 471.701;

(iii) in a city with a population of more than 7,500 or a county with a population of more than 5,000: managers; chiefs; heads or directors of departments, divisions, bureaus, or boards; and any equivalent position; ~~and~~

(iv) in a school district: business managers; human resource directors; athletic directors whose duties include at least 50 percent of their time spent in administration, personnel, supervision, and evaluation; chief financial officers; directors; individuals defined as superintendents and principals under Minnesota Rules, part 3512.0100; and in a charter school, individuals employed in comparable positions; and

(v) in the Metropolitan Council, a public corporation and political subdivision of the state established under chapter 473: the chair of the Metropolitan Council appointed by the governor; the regional administrator appointed as the principal administrative officer by the Metropolitan Council under section 473.125; the deputy regional administrator; the general counsel appointed by the Metropolitan Council under section 473.123, subdivision 8; the executive heads of divisions, including the general managers and executive directors; the executive head responsible for compliance with Equal Employment Opportunity provisions of federal law; and the chief law enforcement officer of the Metropolitan Transit Police appointed by the regional administrator under section 473.407, subdivision 4.

(f) Data relating to a complaint or charge against an employee identified under paragraph (e), clause ~~(4)~~ (5), are public only if:

(1) the complaint or charge results in disciplinary action or the employee resigns or is terminated from employment while the complaint or charge is pending; or

(2) potential legal claims arising out of the conduct that is the subject of the complaint or charge are released as part of a settlement agreement.

This paragraph and paragraph (e) do not authorize the release of data that are made not public under other law.

Sec. 5. Minnesota Statutes 2024, section 13.991, is amended to read:

### **13.991 JUDICIAL OFFICIAL DATA; PERSONAL INFORMATION.**

(a) Subject to paragraph (b), the personal information of all judicial officials collected, created, or maintained by a government entity is private data on individuals. For purposes of this section, the terms "personal information" and "judicial official" have the meanings given in section 480.40, subdivision 1.

(b) If the responsible authority or government entity violates this chapter, the remedies and penalties under this chapter are available only if the judicial official making a claim previously provided written notification to the responsible authority confirming on a form provided by the Minnesota judicial branch that they are entitled to

protection under section 480.40. If the subject of the data is an adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under this chapter are available only if the adult child previously provided written notification to the responsible authority confirming their status as the child of a judicial official. In the case of county records, the form shall be filed with the responsible authority that maintains the personal information for which the judicial officer is seeking protection. A form submitted under this section is private data on individuals. A notice filed under this paragraph expires five years following the date of filing, unless it is renewed prior to the expiration date.

(c) ~~This section shall not apply to~~ Notwithstanding paragraph (a), section 480.50 shall govern personal information contained in: of all judicial officials contained in real property records, as defined in section 480.50, subdivision 1, paragraph (f).

~~(1) real property records as defined in section 13.045, subdivision 1, clause (5);~~

~~(2) Uniform Commercial Code filings and tax liens maintained by the secretary of state; and~~

~~(3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 144E.123, subdivision 3, is amended to read:

Subd. 3. **Review.** Prehospital care data may be reviewed by the director or its designees. The data shall be classified as private data on individuals under chapter 13, the Minnesota Government Data Practices Act. The director may share with the Washington/Baltimore High Intensity Drug Trafficking Area's Overdose Detection Mapping Application Program (ODMAP), data that identifies where and when an overdose incident happens, fatality status, suspected drug type, naloxone administration, and first responder type. ODMAP may:

(1) allow secure access to the system by authorized users to report information about an overdose incident;

(2) allow secure access to the system by authorized users to view, in near real-time, information about overdose incidents reported;

(3) produce a map in near real-time of the approximate locations of confirmed or suspected overdose incidents reported; and

(4) enable access to overdose incident information that assists in state and local decisions regarding the allocation of public health, public safety, and educational resources for the purposes of monitoring and reporting data related to suspected overdoses.

Sec. 7. Minnesota Statutes 2024, section 480.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section and section 480.45, the following terms have the meanings given.

(b) "Judicial official" means:

(1) every Minnesota district court judge, senior judge, retired judge, and every judge of the Minnesota Court of Appeals and every active, senior, recalled, or retired federal judge who resides in Minnesota;

- (2) a justice of the Minnesota Supreme Court;
- (3) employees of the Minnesota judicial branch;
- (4) judicial referees and magistrate judges; and

(5) current and retired judges and current employees of the Office of Administrative Hearings, Workers' Compensation Court of Appeals, and Tax Court.

(c) "Personal information" does not include publicly available information. Personal information means:

- (1) a residential address of a judicial official;
- (2) a residential address of the spouse, domestic partner, or children of a judicial official;
- (3) a nonjudicial branch issued telephone number or email address of a judicial official;
- (4) the name of any child of a judicial official; and

(5) the name of any child care facility or school that is attended by a child of a judicial official if combined with an assertion that the named facility or school is attended by the child of a judicial official.

(d) "Publicly available information" means information that is lawfully made available through federal, state, or local government records or information that a business has a reasonable basis to believe is lawfully made available to the general public through widely distributed media, by a judicial official, or by a person to whom the judicial official has disclosed the information, unless the judicial official has restricted the information to a specific audience.

(e) "Law enforcement support organizations" do not include charitable organizations.

(f) "Real property records" has the meaning given in section 480.50, subdivision 1, paragraph (f).

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 480.40, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) Subdivision 2 ~~does~~ and section 480.50 do not apply to:

- (1) the dissemination of personal information if the information is relevant to and displayed as part of a news story, commentary, editorial, or other speech on a matter of public concern;
- (2) personal information that the judicial official voluntarily disseminates publicly after August 1, 2024;
- (3) the dissemination of personal information made at the request of the judicial official or which is necessary to effectuate the request of a judicial official;
- (4) a commercial entity using personal information internally, providing access to businesses under common ownership or affiliated by corporate control, or selling or providing data for a transaction or service requested by or concerning the individual whose personal information is being transferred;



(5) a commercial entity providing publicly available information through real-time or near real-time alert services for health or safety purposes;

(6) a commercial entity engaged in the collection, maintenance, disclosure, sale, communication, or use of any personal information bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, furnisher, or user that provides information for use in a consumer report, and by a user of a consumer report, but only to the extent that such activity is regulated by and authorized under the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(7) a consumer reporting agency subject to the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(8) a commercial entity using personal information collected, processed, sold, or disclosed in compliance with the federal Driver's Privacy Protection Act of 1994, United States Code, title 18, section 2721, et seq.;

(9) a commercial entity using personal information to do any of the following: prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute any person responsible for any such action;

(10) a financial institution, affiliate of a financial institution, or data subject to title V of the federal Gramm-Leach-Bliley Act, United States Code, title 15, section 6801, et seq.;

(11) a covered entity or business associate for purposes of the federal privacy regulations promulgated under the federal Health Insurance Portability and Accountability Act of 1996, specifically United States Code, title 42, section 1320d-2 note;

(12) insurance and insurance support organizations;

(13) law enforcement agencies or law enforcement support organizations and vendors that provide data support services to law enforcement agencies;

(14) the display of a property address on a real estate or mapping platform when the address is not displayed or disclosed in connection with any ownership or occupancy information or other personal identifying information of a judicial official; and

~~(14) (15) the collection and sale or licensing of covered information incidental to conducting the activities described in clauses (4) to (13); and (14).~~

~~(15) personal information contained in:~~

~~(i) real property records as defined in section 13.045, subdivision 1, clause (5);~~

~~(ii) uniform commercial code filings and tax liens maintained by the secretary of state; and~~

~~(iii) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

(b) Subdivision 2 does not apply to personal information of judicial officials collected, created, or maintained in real property records.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 480.45, subdivision 2, is amended to read:

Subd. 2. **Removal of personal information; exception.** (a) Upon receipt of an affidavit requesting removal of the personal information of a judicial official that meets the requirements of subdivision 1, the person, business, association, or government entity shall remove the publicly posted personal information within 30 days. If the person, business, association, or government entity fails to remove the publicly posted personal information within 30 days after an affidavit is submitted, the judicial official may file a civil action in a court of competent jurisdiction seeking a court order compelling compliance, including injunctive and declarative relief.

(b) Paragraph (a) shall not apply to personal information disseminated directly by a government entity contained in: real property records, as defined in section 480.50, subdivision 1, paragraph (f).

~~(1) real property records as defined in section 13.045, subdivision 1, clause (5);~~

~~(2) uniform commercial code filings and tax liens maintained by the secretary of state; and~~

~~(3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 10. **[480.50] PERSONAL INFORMATION IN REAL PROPERTY RECORDS.**

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1, clause (4).

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(d) "Judicial official" has the meaning given in section 480.40, subdivision 1, paragraph (b), except that it does not include employees of the Minnesota judicial branch, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, or the Tax Court.

(e) "Personal information" has the meaning given in section 480.40, subdivision 1, paragraph (c).

(f) "Real property records" means any of the following:

(1) real property records as defined in section 13.045, subdivision 1, clause (5);

(2) Uniform Commercial Code filings and tax liens maintained by the Secretary of State; and

(3) any other records maintained by a county recorder or other government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.

(g) "Responsible authority" has the meaning given in section 13.02, subdivision 16.

Subd. 2. **Classification of data.** (a) Subject to the provisions of this section, the personal information of all judicial officials collected, created, or maintained in real property records is private data on individuals, as defined in section 13.02, subdivision 12.

(b) If the responsible authority or government entity violates this section, the remedies and penalties under chapter 13 are available only if the judicial official making a claim previously provided a real property notice that complies with subdivision 3. If the subject of the data is the spouse, domestic partner, or adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under chapter 13 are available only if the spouse, domestic partner, or adult child previously provided a notification under subdivision 3 to the responsible authority confirming their status as the spouse, domestic partner, or adult child of a judicial official. In the case of county records, the notification shall be filed with the responsible authority that maintains the personal information for which protection is sought. A notification submitted under this section is private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 3. **Notification.** (a) For the classification in subdivision 2 to apply to personal information in real property records, a judicial official must submit a real property notice in writing to the county recorder in the county where the property identified in the real property notice is located and to the Office of the Secretary of State. To affect real property records maintained by any other government entity, a judicial official must submit a real property notice in writing to the other government entity's responsible authority. If the personal information is that of the spouse, domestic partner, or adult child of a judicial official who does not reside with the judicial official, the spouse, domestic partner, or adult child must submit a real property notice. The real property notice is classified as private data on individuals, as defined in section 13.02, subdivision 12. A real property notice must be on a form provided by the judicial branch and must include:

- (1) the full legal name of the individual submitting the form;
- (2) the last four digits of the individual's Social Security number;
- (3) the individual's date of birth;
- (4) the individual's telephone number and email;
- (5) the residential address of the individual in Minnesota;
- (6) the legal description, parcel identification number, and street address, if any, of the real property affected by the notice; and
- (7) a certification that the individual is a judicial official or the spouse, domestic partner, or adult child of a judicial official that contains the notarized signature of the individual.

(b) A notice submitted by a judicial official employed by the state must include the employer's business address and a verification of current employment signed by the employer's human resources office.

(c) A notice submitted pursuant to this subdivision by a spouse, domestic partner, or adult child of a judicial official not residing with the judicial official must include a notarized verification that the individual is the spouse, domestic partner, or adult child of a judicial official.

(d) Only one parcel of real property may be included in each notice, but an individual may submit more than one notice. A government entity may require an individual to provide additional information necessary to identify the records or the real property described in the notice. An individual submitting a notice must submit a new real property notice if their legal name changes.

Subd. 4. **Access to real property records.** (a) If an individual submits a notice under subdivision 3, the county recorder or other government entity must not disclose the individual's personal information in conjunction with the property identified in the written notice, unless:

(1) the individual has consented to sharing or dissemination of the personal information for the purpose identified in a writing signed by the individual and acknowledged by a notary public;

(2) the personal information is subject to dissemination pursuant to a court order under section 13.03, subdivision 6;

(3) the personal information is shared with a government entity for the purpose of administering assessment and taxation laws;

(4) the personal information is disseminated pursuant to subdivision 5; or

(5) the personal information is shared with the examiner of titles or deputy examiner as necessary to perform their statutory duties under chapters 508 and 508A, including the dissemination of personal information in Reports of Examiner.

(b) This subdivision does not prevent the county recorder from returning original documents to the person who submitted the documents for recording. Each county recorder shall establish procedures for recording documents to comply with this subdivision. These procedures may include masking personal information and making documents or certificates of title containing the personal information private and not viewable except as allowed by this paragraph. The procedure must comply with the requirements of chapters 386, 507, 508, and 508A, and other laws as appropriate, to the extent these requirements do not conflict with this section. The procedures must provide public notice of the existence of recorded documents and certificates of title that are not publicly viewable and the provisions for viewing them under this subdivision. Notice that a document or certificate is private and viewable only under this subdivision or subdivision 5 is deemed constructive notice of the document or certificate.

(c) A real property notice submitted under subdivision 3 shall apply retroactively to all online and digital real property records, except digitized or scanned images of tract pages and books, but only to the extent the individual submitting the notice provides the parcel identification number, document number, or certificate of title number of each record for which protection is sought. Otherwise, paragraph (a) applies only to the real property records recorded or filed concurrently with the real property notice specified in subdivision 3 and to real property records affecting the same real property recorded subsequent to the county recorder or other government entity's receipt of the real property notice.

(d) The county recorder or other government entity shall have 60 days from the date of receipt of a real property notice under subdivision 3 to process the request. If the individual cites exigent circumstances, the county recorder or other government entity shall process the request as soon as practicable.

(e) The prohibition on disclosure in paragraph (a) continues until:

(1) the individual has consented to the termination of the real property notice in a writing signed by the individual and acknowledged by a notary public;

(2) the real property notice is terminated pursuant to a court order;

(3) the individual no longer holds a record interest in the real property identified in the real property notice;

(4) the individual is deceased and a certified copy of the death certificate has been filed with the county recorder or other government entity to which a notice was given under subdivision 3; or

(5) the judicial official no longer qualifies as a judicial official. Notification that the judicial official no longer qualifies as a judicial official must be given by the judicial official to each county recorder or other government entity to which a notice under subdivision 3 was given within 90 days after the judicial official no longer qualifies as a judicial official.

(f) Upon termination of the prohibition of disclosure, the county recorder shall make publicly viewable all documents and certificates of title that were previously partially or wholly private and not viewable pursuant to a notice filed under subdivision 3.

Subd. 5. **Access to personal information in real property records; title examination.** (a) Upon request, the individual who submitted the real property notice under subdivision 3 shall verify that the individual's real property is the property subject to a bona fide title exam.

(b) The county recorder or other government entity shall provide the unredacted real property records of an individual who submitted a real property notice under subdivision 3 upon request of any of the following persons:

(1) a licensed title insurance company representative, a licensed title insurance agent, a licensed abstractor, or an attorney licensed to practice law in Minnesota;

(2) a mortgage loan originator;

(3) a real estate broker or a real estate salesperson; and

(4) an individual or entity that has made or received an offer for the purchase of real property to or from an individual who submitted a real property notice under subdivision 3 whose address is subject to nondisclosure, provided the request is accompanied by a written consent from the individual.

(c) A request made under paragraph (a) or (b) must be made on a notarized form and include:

(1) the full legal name, title, address, and place of employment, if applicable, of the person requesting the real property records;

(2) the lawful purpose for requesting the real property records;

(3) the requestor's relationship, if any, to the individual who submitted a real property notice under subdivision 3;

(4) the legal description of the property subject to the title examination; and

(5) proof of the requestor's licensure.

(d) Personal information provided under this subdivision may be used only for the purposes authorized in this subdivision or the lawful purposes set forth in the request for disclosure form and may not be further disseminated to any other person. However, the dissemination of personal information in real property records by a licensed attorney or any employees in the office of the licensed attorney is permitted when reasonably necessary for the provision of legal services.

Subd. 6. **Service fees to county recorder or other government entity.** The county recorder or any other government entity is authorized to charge the following service fees:

(1) up to \$75 for each real property notice under subdivision 3;

(2) up to \$75 for each consent submitted under subdivision 4, paragraph (a), clause (1), and subdivision 4, paragraph (e), clause (1); and

(3) up to \$75 for each request submitted under subdivision 5.

These service fees shall not be considered county recorder fees under section 357.18 or registrar of titles fees under section 508.82 or 508A.82 and shall be deposited into the county recorder or other government entity's general fund.

**EFFECTIVE DATE.** This section is effective January 1, 2026."

Delete the title and insert:

"A bill for an act relating to state government; providing for judiciary and government data practices policy; amending real property judicial foreclosure law; providing for the Uniform Special Deposits Act; providing for reports; reducing certain appropriations; appropriating money for the supreme court, court of appeals, district courts, Board of Civil Legal Aid, State Guardian ad Litem Board, tax court, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Human Rights, Office of Appellate Counsel and Training, Competency Attainment Board, Cannabis Expungement Board, and Secretary of State; amending Minnesota Statutes 2024, sections 13.03, subdivision 3; 13.32, subdivisions 2, 5; 13.43, subdivision 2; 13.991; 142A.76, subdivision 8; 144E.123, subdivision 3; 260C.419, subdivisions 2, 3, 4; 480.243, by adding a subdivision; 480.35, by adding a subdivision; 480.40, subdivisions 1, 3; 480.45, subdivision 2; 484.44; 484.51; 518.68, subdivision 1; 518B.01, subdivision 2; 524.5-420; 580.07, subdivisions 1, 2; 581.02; 595.02, by adding a subdivision; 611.45, subdivision 3; 611.46, subdivision 2; 611.49, subdivisions 2, 3; 611.55, subdivision 3; 611.56, subdivision 1; 611.59, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 13; 47; 480."

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

The report was adopted.

Rarick and Wolgamott from the Committee on Higher Education Finance and Policy to which was referred:

H. F. No. 2431, A bill for an act relating to higher education; providing funding and policy-related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; modifying certain scholarship and student aid programs; creating and modifying grant programs to higher education institutions; providing authority to the Office of Higher Education for treatment of certain appropriations; providing for certain policy changes to student financial aid, institution eligibility, institutional licensure provisions, student loan programs, and institutional grant programs; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 135A.137; 136A.01, by adding a subdivision; 136A.101, subdivision 5a; 136A.103; 136A.121, subdivisions 5, 6, 7, 13; 136A.1465, subdivisions 1, 2, by adding a subdivision; 136A.155; 136A.162; 136A.1701, subdivision 4; 136A.1796; 136A.658; 136A.69, subdivision 1; 136A.82; 136A.821, subdivisions 4, 5, by adding subdivisions; 136A.822, subdivisions 3, 6, 8, 13; 136A.824, subdivisions 1, 2, 6, 7; 136A.833; 136A.834, subdivisions 1, 5; repealing Minnesota Statutes 2024, sections 136A.69, subdivisions 3, 5; 136A.824, subdivisions 3, 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; ALS RESEARCH.**

(a) Of the amount appropriated from the general fund to the commissioner of the Office of Higher Education pursuant to Laws 2022, chapter 42, section 2, paragraph (b), as amended by Laws 2024, chapter 124, article 1, section 1, and Laws 2024, chapter 127, article 34, section 1, \$15,262,263 is canceled.

(b) \$15,262,263 in fiscal year 2026 is appropriated from the general fund to the Board of Regents of the University of Minnesota for a collaborative partnership with the Mayo Clinic to engage in ongoing research into amyotrophic lateral sclerosis (ALS), with the goal of bettering the lives of individuals with ALS and finding a cure for the disease. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until June 30, 2029.

(c) Beginning January 15, 2026, and annually thereafter until January 15, 2030, or until the funds are fully expended, whichever occurs first, the Board of Regents of the University of Minnesota must submit a report to the legislature specifying how funds appropriated under this section have been used by the collaborative partnership.

Sec. 2. **REPEALER.**

Laws 2022, chapter 42, section 2, as amended by Laws 2024, chapter 124, article 1, section 1, and Laws 2024, chapter 127, article 34, section 1, is repealed."

Delete the title and insert:

"A bill for an act relating to higher education; requiring a report; canceling an appropriation; appropriating money; repealing Laws 2022, chapter 42, section 2, as amended."

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

The report was adopted.

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

H. F. No. 2434, A bill for an act relating to human services; modifying provisions relating to aging and older adult services, disability services, early intensive developmental and behavioral intervention, direct care and treatment, and health care; establishing a patient driven payment model phase-in, the Minnesota Caregiver Defined Contribution Retirement Fund Trust, recovery residence certification, and a working group; requiring stipend payments to certain collective bargaining unit members; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.46, subdivision 1; 144.0724, subdivision 11; 144A.071, subdivisions 4a, 4c, 4d; 144A.161, subdivision 10; 179A.54, by adding a subdivision; 245.4661, subdivisions 2, 6, 7; 245.91, subdivision 4; 245C.16, subdivision 1; 245G.01, subdivision 13b, by adding subdivisions; 245G.02, subdivision 2; 245G.07, subdivisions 1, 3, 4, by adding subdivisions; 245G.11, subdivisions 6, 7, by adding a subdivision; 245G.22, subdivisions 11, 15; 246B.10; 254A.19, subdivision 4; 254B.01, subdivisions 10, 11; 254B.02, subdivision 5; 254B.03, subdivisions 1, 3, 4; 254B.04, subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 1a; 254B.06, subdivision 2; 254B.09, subdivision 2; 254B.181, subdivisions 1, 2, 3, by adding subdivisions; 254B.19, subdivision 1; 256.01, subdivisions 29, 34; 256.043, subdivision 3; 256.9657, subdivision 1; 256B.04, subdivisions 12, 14; 256B.0625, subdivisions 5m, 17, by adding a subdivision; 256B.0659, subdivision 17a; 256B.0757, subdivision 4c; 256B.0924, subdivision 6; 256B.0949, subdivisions 15, 16, by adding a subdivision; 256B.19, subdivision 1; 256B.431, subdivision 30; 256B.49, by adding a subdivision; 256B.4914, subdivisions 3, 5, 5a, 5b, 6a, 7a, 7b, 7c, 8, 9, by adding subdivisions; 256B.85, subdivisions 7a, 8, 16; 256B.851, subdivisions 5, 6; 256G.01, subdivision 3; 256G.08, subdivisions 1, 2; 256G.09, subdivisions 1, 2; 256I.04, subdivision 2a; 256R.02, subdivisions 18, 19, 22, by adding subdivisions; 256R.10, subdivision 8; 256R.23, subdivisions 7, 8; 256R.24, subdivision 3; 256R.25; 256R.26, subdivision 9; 256R.43; 260E.14, subdivision 1; 325F.725; 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a subdivision; 626.5572, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 245A; 254B; 256R; repealing Minnesota Statutes 2024, sections 144A.1888; 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5; 254B.04, subdivision 2a; 256B.0625, subdivisions 18b, 18e, 18h; 256B.434, subdivision 4; 256R.02, subdivision 38; 256R.12, subdivision 10; 256R.23, subdivision 6; 256R.36; 256R.40; 256R.41; 256R.481; 256R.53, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
AGING SERVICES

Section 1. Minnesota Statutes 2024, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds is reduced, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. The nursing home must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. Beds on layaway status continue to be subject to the surcharge. The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.

~~(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.~~

~~(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to \$990.~~

~~(d)~~ (b) Effective July 15, 2003, the surcharge under ~~paragraph (c)~~ this subdivision shall be increased to \$2,815.

(c) Effective January 1, 2026, or the first day of the month following federal approval, whichever is later, the surcharge under this subdivision shall be increased to \$5,900.

(e) (d) The commissioner may reduce, and may subsequently restore, the surcharge under paragraph (d) based on the commissioner's determination of a permissible surcharge must decrease the amount under this subdivision as necessary to remain under the allowable federal tax percent in Code of Federal Regulations, title 42, part 433.

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

Sec. 2. Minnesota Statutes 2024, section 256B.0922, subdivision 1, is amended to read:

Subdivision 1. **Essential community supports.** (a) The purpose of the essential community supports program is to provide targeted services to persons ~~age 65 and older~~ who need essential community support, but whose needs do not meet the level of care required for nursing facility placement under section 144.0724, subdivision 11, and who are either 60 years of age or older or are persons with dementia.

(b) Essential community supports are available not to exceed \$400 per person per month. Essential community supports may be used as authorized within an authorization period not to exceed 12 months. Services must be available to a person who:

(1) is age ~~65~~ 60 or older or has dementia;

(2) is not eligible for medical assistance;

(3) has received a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, and does not require the level of care provided in a nursing facility;



(4) meets the financial eligibility criteria ~~for the alternative care program under section 256B.0913, subdivision 4 under subdivision 3;~~

(5) has an assessment summary; and

(6) has been determined by a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, to be a person who would require provision of at least one of the following services, as defined in the approved elderly waiver plan, in order to maintain their community residence:

(i) adult day services;

(ii) caregiver support;

(iii) homemaker support;

(iv) chores;

(v) a personal emergency response device or system;

(vi) home-delivered meals; ~~or~~

(vii) community living assistance as defined by the commissioner; or

(viii) respite care.

(c) The person receiving any of the essential community supports in this subdivision must also receive service coordination, not to exceed \$600 in a 12-month authorization period, as part of their assessment summary.

(d) A person who has been determined to be eligible for essential community supports must be reassessed at least annually and continue to meet the criteria in paragraph (b) to remain eligible for essential community supports.

(e) The commissioner is authorized to use federal matching funds for essential community supports as necessary and to meet demand for essential community supports as outlined in subdivision 2, and that amount of federal funds is appropriated to the commissioner for this purpose.

Sec. 3. Minnesota Statutes 2024, section 256B.0922, is amended by adding a subdivision to read:

**Subd. 3. Financial eligibility criteria.** (a) To be eligible for essential community supports, a person may have an income up to 400 percent of the federal poverty guidelines for the household size. When determining financial eligibility under this subdivision, the commissioner must use the income methodology described in section 256B.056, subdivision 1a, paragraph (b).

(b) No asset limit applies to a person eligible for essential community supports.

Sec. 4. Minnesota Statutes 2024, section 256B.434, subdivision 4k, is amended to read:

**Subd. 4k. Property rate increase for certain nursing facilities.** (a) A rate increase under this subdivision ends upon the effective date of the transition of the facility's property rate to a property payment rate under section 256R.26, subdivision 8, ~~or May 31, 2026, whichever is earlier.~~

(b) The commissioner shall increase the property rate of a nursing facility located in the city of St. Paul at 1415 Almond Avenue in Ramsey County by \$10.65 on January 1, 2025.

(c) The commissioner shall increase the property rate of a nursing facility located in the city of Duluth at 3111 Church Place in St. Louis County by \$20.81 on January 1, 2025.

(d) The commissioner shall increase the property rate of a nursing facility located in the city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on January 1, 2025.

~~(e) Effective January 1, 2025, through June 30, 2025, the commissioner shall increase the property rate of a nursing facility located in the city of Fergus Falls at 1131 South Mabelle Avenue in Ottertail County by \$38.56.~~

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

Sec. 5. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; family advisory council fee under section 144A.33; scholarships under section 256R.37; planned closure rate adjustments under section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d; single-bed room incentives under section 256R.41; property taxes, special assessments, and payments in lieu of taxes; employer health insurance costs; quality improvement incentive payment rate adjustments under section 256R.39; performance-based incentive payments under section 256R.38; special dietary needs under section 256R.51; Public Employees Retirement Association employer costs; ~~and~~ border city rate adjustments under section 256R.481; and the rate adjustment for nursing home wage standards under section 256R.495.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2026. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to read:

Subd. 25b. **Known cost change factor.** "Known cost change factor" means 1.00 plus the average amount of increase in minimum wages for nursing home employees approved by the Nursing Home Workforce Standards Board established under section 181.212 that have taken effect within the previous 12 months.

**EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to read:

Subd. 36a. **Patient driven payment model or PDPM.** "Patient driven payment model" or "PDPM" has the meaning given in section 144.0724, subdivision 2.

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

Sec. 8. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to read:

Subd. 45a. **Resource utilization group or RUG.** "Resource utilization group" or "RUG" has the meaning given in section 144.0724, subdivision 2.

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

Sec. 9. Minnesota Statutes 2024, section 256R.23, subdivision 2, is amended to read:

Subd. 2. **Calculation of direct care cost per standardized day.** Each facility's direct care cost per standardized day is calculated as follows: (1) multiply the facility's direct care costs ~~divided~~ and the known cost change factor; and (2) divide the result of clause (1) by the sum of the facility's standardized days. A facility's direct care cost per standardized day is the facility's cost per day for direct care services associated with a case mix index of 1.00.

**EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2024, section 256R.23, subdivision 3, is amended to read:

Subd. 3. **Calculation of other care-related cost per resident day.** Each facility's other care-related cost per resident day is ~~its~~ calculated as follows:

(1) multiply the facility's other care-related costs, ~~divided~~ and the known cost change factor; and

(2) divide the result of clause (1) by the sum of the facility's resident days.

**EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2024, section 256R.24, subdivision 1, is amended to read:

Subdivision 1. **Determination of other operating cost per day.** Each facility's other operating cost per day is ~~its~~ calculated as follows:

(1) multiply the facility's other operating costs ~~divided~~ and the known cost change factor; and

(2) divide the result of clause (1) by the sum of the facility's resident days.

**EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2024, section 256R.25, is amended to read:

**256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

(a) The payment rate for external fixed costs is the sum of the amounts in paragraphs (b) to ~~(p)~~ (q).

(b) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds. The commissioner must decrease the portion related to the provider surcharge as necessary to conform to decreases in the nursing home license surcharge fee under section 256.9657.

(c) The portion related to the licensure fee under section 144.122, paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

(d) The portion related to development and education of resident and family advisory councils under section 144A.33 is \$5 per resident day divided by 365.

(e) The portion related to scholarships is determined under section 256R.37.

(f) The portion related to planned closure rate adjustments is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

(g) The portion related to consolidation rate adjustments shall be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

(h) The portion related to single-bed room incentives is as determined under section 256R.41.

(i) The portions related to real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable amounts divided by the sum of the facility's resident days. Allowable costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes.

(j) The portion related to employer health insurance costs is ~~the~~ calculated as follows:

(1) multiply the facility's allowable employer health insurance costs divided and the known cost change factor;  
and

(2) divide the result of clause (1) by the sum of the facility's resident days.

(k) The portion related to the Public Employees Retirement Association is the allowable costs divided by the sum of the facility's resident days.

(l) The portion related to quality improvement incentive payment rate adjustments is the amount determined under section 256R.39.

(m) The portion related to performance-based incentive payments is the amount determined under section 256R.38.

(n) The portion related to special dietary needs is the amount determined under section 256R.51.

(o) The portion related to the rate adjustments for border city facilities is the amount determined under section 256R.481.

(p) The portion related to the rate adjustment for critical access nursing facilities is the amount determined under section 256R.47.

(q) The portion related to the rate adjustment for nursing home wage standards is the amount determined under section 256R.495. This paragraph expires January 1, 2029.

**EFFECTIVE DATE.** The amendment to paragraph (a) and the new paragraph (q) are effective January 1, 2026, or upon federal approval, whichever is later, and apply retroactively to the rate year beginning January 1, 2026. The amendments to paragraph (b) are effective January 1, 2026, or the first day of the month following federal approval, whichever is later. The amendments to paragraph (j) are effective January 1, 2027, or upon federal approval, whichever is later, and apply retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. **[256R.495] RATE ADJUSTMENT FOR NURSING HOME WAGE STANDARDS.**

**Subdivision 1. Nursing facility rate adjustment.** Effective for the rate years beginning January 1, 2026, and January 1, 2027, nursing facility rates under this chapter must include a rate adjustment to pay for the nursing home wage standards promulgated by the Nursing Home Workforce Standards Board and adopted as proposed on October 28, 2024. Each nursing facility reimbursed under this chapter must report to the commissioner the wage rate for every employee and contracted employee below the minimum wage standards established by the board under section 181.212.

**Subd. 2. Application for January 1, 2026, and January 1, 2027, rate adjustments.** (a) To receive a rate adjustment, a nursing facility must submit an application for each rate year in which the rate adjustment under this section is in effect to the commissioner in a form and manner determined by the commissioner. The application must include data for a period beginning with the first pay period after July 1 of the year prior to the rate year in which the rate adjustment takes effect, including at least three months of employee compensated hours by wage rate and a spending plan that describes how the funds from the rate adjustment will be allocated for compensation to employees as defined by Minnesota Rules, part 5200.2060, that are paid less than the general wage standards defined in Minnesota Rules, part 5200.2080, and the wage standards for certain positions defined by Minnesota Rules, part 5200.2090. The application must be submitted by October 1 of the year prior to the rate year in which the rate adjustment takes effect. The commissioner may request any additional information needed to determine the rate adjustment within 20 calendar days of receiving a completed application. The nursing facility must provide any additional information requested by the commissioner within 20 calendar days of receiving a request from the commissioner for additional information. The commissioner may waive the deadlines in this subdivision under extraordinary circumstances.

(b) For a nursing facility in which employees are represented by an exclusive bargaining representative, the commissioner shall approve an application submitted under this subdivision only upon receipt of a letter of acceptance of the spending plan in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after July 1 of the year prior to the rate year in which the rate adjustment takes effect. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this paragraph met in regard to the members of the bargaining unit.

**Subd. 3. January 1, 2026, rate adjustment calculation.** Based on the application in subdivision 2, the commissioner shall calculate the annualized compensation costs by adding the totals of clauses (1) to (5). The result must be divided by the resident days from the most recently available cost report to determine a per diem amount, which must be included in the external fixed costs payment rate under section 256R.25:

(1) for all nursing home workers, the sum of the difference between \$19 and any hourly wage rate of less than \$19 multiplied by the number of compensated hours at that wage rate;

(2) for certified nursing assistants, the sum of the difference between \$22.50 and any hourly wage rate of less than \$22.50 multiplied by the number of compensated hours at that wage rate;

(3) for trained medication aides, the sum of the difference between \$23.50 and any hourly wage rate of less than \$23.50 multiplied by the number of compensated hours at that wage rate;

(4) for licensed practical nurses, the sum of the difference between \$27 and any hourly wage rate of less than \$27 multiplied by the number of compensated hours at that wage rate; and

(5) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, pensions, and contributions to employee retirement accounts attributable to the amounts in clauses (1) to (4).

Subd. 4. **January 1, 2027, rate adjustment calculation.** Based on the application in subdivision 2, the commissioner shall calculate the annualized compensation costs by adding the totals of clauses (1) to (5). The result must be divided by the resident days from the most recently available cost report to determine a per diem amount, which must be included in the external fixed costs payment rate under section 256R.25:

(1) for all nursing home workers, the sum of the difference between \$20.50 and any hourly wage rate of less than \$20.50 multiplied by the number of compensated hours at that wage rate;

(2) for certified nursing assistants, the sum of the difference between \$24 and any hourly wage rate of less than \$24 multiplied by the number of compensated hours at that wage rate;

(3) for trained medication aides, the sum of the difference between \$25 and any hourly wage rate of less than \$25 multiplied by the number of compensated hours at that wage rate;

(4) for licensed practical nurses, the sum of the difference between \$28.50 and any hourly wage rate of less than \$28.50 multiplied by the number of compensated hours at that wage rate; and

(5) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, pensions, and contributions to employee retirement accounts attributable to the amounts in clauses (1) to (4).

Subd. 5. **Rate adjustment timeline.** (a) For the rate year beginning January 1, 2026, nursing facilities that receive approval of the application in subdivision 2 must receive a rate adjustment according to subdivision 3. The rate adjustment must continue to be included in the external fixed costs payment rate under section 256R.25 until January 1, 2028.

(b) For the rate year beginning January 1, 2027, nursing facilities that receive approval of the application in subdivision 2 must receive a rate adjustment according to subdivision 4. The rate adjustment must continue to be included in the external fixed costs payment rate under section 256R.25 until January 1, 2029.

Subd. 6. **Expiration.** This section expires January 1, 2029.

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

Sec. 14. **[256R.531] PATIENT DRIVEN PAYMENT MODEL PHASE-IN.**

Subdivision 1. **Model phase-in.** From October 1, 2025, to December 31, 2028, the commissioner shall determine an adjustment to the total payment rate for each facility as determined under sections 256R.21 and 256R.27 to phase in the direct care payment rate from the RUG-IV case mix classification system to the patient driven payment model (PDPM) case mix classification system.

Subd. 2. **RUG-IV standardized days and facility case mix index.** (a) The commissioner must determine the RUG-IV standardized days and facility average case mix using the sum of the resident days by case mix classification for all payers on the Minnesota Statistical and Cost Report.

(b) For the rate year beginning January 1, 2028, to December 31, 2028:

(1) the commissioner must determine the RUG-IV facility average case mix using the sum of the resident days by the case mix classification for all payers on the September 30, 2025, Minnesota Statistical and Cost Report; and

(2) the commissioner must determine the RUG-IV standardized days by multiplying the resident days on the September 30, 2026, Minnesota Statistical and Cost Report by the RUG-IV facility case mix index determined under clause (1).

Subd. 3. **RUG-IV medical assistance case mix adjusted direct care payment rate.** The commissioner must determine a facility's RUG-IV medical assistance case mix adjusted direct care payment rate as the product of:

(1) the facility's RUG-IV direct care and payment rate determined in section 256R.23, subdivision 7, using the RUG-IV standardized days determined in subdivision 2; and

(2) the corresponding medical assistance facility average case mix index for medical assistance days determined in subdivision 2.

Subd. 4. **PDPM medical assistance case mix adjusted direct care payment rate.** The commissioner must determine a facility's PDPM medical assistance case mix adjusted direct care payment rate as the product of:

(1) the facility's direct care payment rate determined in section 256R.23, subdivision 7; and

(2) the corresponding medical assistance facility average case mix index for medical assistance days as defined in section 256R.02, subdivision 20.

Subd. 5. **Blended medical assistance case mix adjusted direct care payment rate.** The commissioner must determine a facility's blended medical assistance case mix adjusted direct care payment rate as the sum of:

(1) the RUG-IV medical assistance case mix adjusted direct care payment rate determined in subdivision 3 multiplied by the following percentages:

(i) from October 1, 2025, to December 31, 2026, 75 percent;

(ii) from January 1, 2027, to December 31, 2027, 50 percent; and

(iii) from January 1, 2028, to December 31, 2028, 25 percent; and

(2) the PDPM medical assistance case mix adjusted direct care payment rate determined in subdivision 4 multiplied by the following percentages:

(i) October 1, 2025, to December 31, 2026, 25 percent;

(ii) January 1, 2027, to December 31, 2027, 50 percent; and

(iii) January 1, 2028, to December 31, 2028, 75 percent.

Subd. 6. **PDPM phase-in rate adjustment.** The commissioner shall determine a facility's PDPM phase-in rate adjustment as the difference between:

(1) the blended medical assistance case mix adjusted direct care payment rate determined in subdivision 5; and

(2) the PDPM medical assistance case mix adjusted direct care payment rate determined in section 256R.23, subdivision 7.

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

**Sec. 15. [256R.532] NURSING FACILITY RATE ADD-ON FOR WORKFORCE STANDARDS.**

(a) Effective for rate years beginning on and after January 1, 2028, or upon federal approval, whichever is later, the commissioner shall annually provide a rate add-on amount for nursing facilities reimbursed under this chapter for the initial standards for wages for nursing home workers adopted by the Nursing Home Workforce Standards Board in Minnesota Rules, parts 5200.2060 to 5200.2090, pursuant to section 181.213, subdivision 2, paragraph (c). The add-on amount is equal to:

(1) \$3.93 per resident day, effective January 1, 2028; and

(2) \$8.55 per resident day, effective January 1, 2029.

(b) Effective upon federal approval, the commissioner must determine the add-on amount for subsequent rate years in consultation with the commissioner of labor and industry.

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

ARTICLE 2  
DISABILITY SERVICES

Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the case mix reimbursement classifications determined by an assessment.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Department of Health.

(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.



(f) "Activities of daily living" includes personal hygiene, dressing, bathing, transferring, bed mobility, locomotion, eating, and toileting.

(g) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

- (1) nursing facility services under chapter 256R;
- (2) elderly waiver services under chapter 256S; and
- ~~(3) CADI and BI waiver services under section 256B.49; and~~
- ~~(4)~~ (3) state payment of alternative care services under section 256B.0913.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment of long-term care services determined under subdivision 2, paragraph (g), a recipient must be determined, using assessments defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

- (1) the person requires formal clinical monitoring at least once per day;
- (2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;
- (3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;
- (4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention;
- (5) the person has had a qualifying nursing facility stay of at least 90 days;
- (6) the person meets the nursing facility level of care criteria determined 90 days after admission or on the first quarterly assessment after admission, whichever is later; or
- (7) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone or be homeless without the person's current housing and also meets one of the following criteria:
  - (i) the person has experienced a fall resulting in a fracture;
  - (ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect; or

(iii) the person has a sensory impairment that substantially impacts functional ability and maintenance of a community residence.

(b) The assessment used to establish medical assistance payment for nursing facility services must be the most recent assessment performed under subdivision 4, paragraphs (b) and (c), that occurred no more than 90 calendar days before the effective date of medical assistance eligibility for payment of long-term care services. In no case shall medical assistance payment for long-term care services occur prior to the date of the determination of nursing facility level of care.

(c) The assessment used to establish medical assistance payment for long-term care services provided under chapter 256S and section 256B.49 and alternative care payment for services provided under section 256B.0913 must be the most recent face-to-face assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28, that occurred no more than 60 calendar days before the effective date of medical assistance eligibility for payment of long-term care services.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2024, section 144.0724, is amended by adding a subdivision to read:

**Subd. 11a. Determination of nursing facility level of care for the brain injury and community access for disability inclusion waivers.** (a) Effective January 1, 2026, or upon federal approval, whichever is later, a person must be determined to meet one of the following nursing facility level of care criteria for the brain injury and community access for disability inclusion waivers under section 256B.49:

(1) the person requires formal clinical monitoring at least once per day;

(2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of daily living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;

(3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled; or

(4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention.

(b) Nursing facility level of care determinations for purposes of initial and ongoing access to the brain injury and community access for disability inclusion waiver programs must be conducted by a MnCHOICES certified assessor under section 256B.0911.

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

Sec. 4. Minnesota Statutes 2024, section 179A.54, is amended by adding a subdivision to read:

**Subd. 12. Minnesota Caregiver Retirement Fund Trust.** (a) The state and an exclusive representative certified pursuant to this section may establish a joint labor and management trust, referred to as the Minnesota Caregiver Retirement Fund Trust, for the exclusive purpose of creating, implementing, and administering a retirement program for individual providers of direct support services who are represented by the exclusive representative.

(b) The state must make financial contributions to the Minnesota Caregiver Retirement Fund Trust pursuant to a collective bargaining agreement negotiated under this section. The financial contributions by the state must be held in trust for the purpose of paying, from principal, income, or both, the costs associated with creating, implementing, and administering a defined contribution or other individual account retirement program for individual providers of direct support services working under a collective bargaining agreement and providing services through a covered program under section 256B.0711. A board of trustees composed of an equal number of trustees appointed by the governor and trustees appointed by the exclusive representative under this section must administer, manage, and otherwise jointly control the Minnesota Caregiver Retirement Fund Trust. The trust must not be an agent of either the state or the exclusive representative.

(c) A third-party administrator, financial management institution, other appropriate entity, or any combination thereof may provide trust administrative, management, legal, and financial services to the board of trustees as designated by the board of trustees from time to time. The services must be paid from the money held in trust and created by the state's financial contributions to the Minnesota Caregiver Retirement Fund Trust.

(d) The state is authorized to purchase liability insurance for members of the board of trustees appointed by the governor.

(e) Financial contributions to or participation in the management or administration of the Minnesota Caregiver Retirement Fund Trust must not be considered an unfair labor practice under section 179A.13, or a violation of Minnesota law.

(f) Nothing in this section shall be construed to authorize the creation of a defined benefit retirement plan or program.

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

**Sec. 5. [245A.142] EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION PROVISIONAL LICENSURE.**

**Subdivision 1. Regulatory powers.** The commissioner shall regulate early intensive developmental and behavioral intervention (EIDBI) agencies pursuant to this section.

**Subd. 2. Provisional license.** (a) Beginning on January 1, 2026, the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies while permanent licensing standards are developed and shall not enroll new EIDBI agencies to provide EIDBI services. EIDBI agencies enrolled by December 31, 2025, have until April 1, 2026, to submit an application for provisional licensure on the forms and in the manner prescribed by the commissioner.

(b) Beginning April 2, 2026, an EIDBI agency shall not operate if it has not submitted an application for provisional licensure under this section. Failure to submit an application for provisional licensure by April 2, 2026, will result in disenrollment from providing EIDBI services.

(c) A provisional license is effective until comprehensive EIDBI agency licensure standards are in effect unless the provisional license is revoked. An applicant whose application for provisional licensure under this section has been denied may request reconsideration under subdivision 8.

(d) Beginning January 1, 2027, no agency providing EIDBI services may operate in Minnesota unless licensed under this section.

Subd. 3. **Provisional license regulatory functions.** The commissioner may:

(1) access the program without advance notice in accordance with section 245A.04, subdivision 5;

(2) investigate reports of maltreatment;

(3) investigate complaints against EIDBI agencies limited to the provisions of this section;

(4) take action on a license pursuant to sections 245A.06 and 245A.07;

(5) deny an application for provisional licensure; and

(6) take other action reasonably required to accomplish the purposes of this section.

Subd. 4. **Provisional license requirements.** A provisional license holder must:

(1) identify all controlling individuals, as defined in section 245A.02, subdivision 5a, for the agency;

(2) provide documented disclosures surrounding the use of billing agencies or other consultants, available to the department upon request;

(3) establish provider policies and procedures related to staff training, staff qualifications, quality assurance, and service activities;

(4) document contracts with independent contractors for qualified supervising professionals, including the number of hours contracted and responsibilities, available to the department upon request; and

(5) comply with section 256B.0949, subdivisions 2, 3a, 6, 7, 14, 15, 16, and 16a, and exceptions to qualifications, standards, and requirements granted by the commissioner under section 256B.0949, subdivision 17.

Subd. 5. **Reporting of maltreatment.** An EIDBI agency must comply with the requirements of reporting maltreatment of vulnerable adults and minors under section 626.557 and chapter 260E.

Subd. 6. **Background studies.** A provisional license holder must initiate a background study through the commissioner's NETStudy 2.0 system as provided under chapter 245C.

Subd. 7. **Revocations.** The commissioner may revoke a provisional license if the provisional license holder is not in substantial compliance with the requirements of this section.

Subd. 8. **Reconsideration.** (a) If a provisional license holder disagrees with a revocation under subdivision 7 or a denial of a provisional license application, the provisional license holder may request reconsideration by the commissioner. The reconsideration request process must be conducted internally by the commissioner and is not an administrative appeal under chapter 14 or section 256.045.

(b) The provisional licensee requesting the reconsideration must make the request on the forms and in the manner prescribed by the commissioner.

(c) A complete reconsideration request and supporting documentation must be received by the commissioner within 15 calendar days after the date the provisional license holder receives notice of the revocation under subdivision 7 or a denial of a provisional license application.

Subd. 9. **Continued operation.** A provisional license holder may continue to operate after receiving notice of denial of a provisional license application or revocation:

(1) during the 15 calendar day reconsideration window; or

(2) during the pendency of a reconsideration.

Subd. 10. **Disenrollment.** An EIDBI agency whose application has been denied under subdivision 2 or whose provisional license has been revoked is disenrolled from providing EIDBI services.

Subd. 11. **Transition to nonprovisional EIDBI license; future licensure standards.** (a) The commissioner must develop a process and transition plan for comprehensive EIDBI agency licensure by July 1, 2027.

(b) By January 1, 2028, the commissioner shall establish standards for nonprovisional EIDBI agency licensure and submit proposed legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over human services licensing.

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

Sec. 6. Minnesota Statutes 2024, section 245C.16, subdivision 1, is amended to read:

Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines that the individual studied has a disqualifying characteristic, the commissioner shall review the information immediately available and make a determination as to the subject's immediate risk of harm to persons served by the program where the individual studied will have direct contact with, or access to, people receiving services.

(b) The commissioner shall consider all relevant information available, including the following factors in determining the immediate risk of harm:

(1) the recency of the disqualifying characteristic;

(2) the recency of discharge from probation for the crimes;

(3) the number of disqualifying characteristics;

(4) the intrusiveness or violence of the disqualifying characteristic;

(5) the vulnerability of the victim involved in the disqualifying characteristic;

(6) the similarity of the victim to the persons served by the program where the individual studied will have direct contact;

(7) whether the individual has a disqualification from a previous background study that has not been set aside;

(8) if the individual has a disqualification which may not be set aside because it is a permanent bar under section 245C.24, subdivision 1, or the individual is a child care background study subject who has a felony-level conviction for a drug-related offense in the last five years, the commissioner may order the immediate removal of the individual from any position allowing direct contact with, or access to, persons receiving services from the program and from working in a children's residential facility or foster residence setting; and

(9) if the individual has a disqualification which may not be set aside because it is a permanent bar under section 245C.24, subdivision 2, or the individual is a child care background study subject who has a felony-level conviction for a drug-related offense during the last five years, the commissioner may order the immediate removal of the individual from any position allowing direct contact with or access to persons receiving services from the center and from working in a licensed child care center or certified license-exempt child care center.

(c) This section does not apply when the subject of a background study is regulated by a health-related licensing board as defined in chapter 214, and the subject is determined to be responsible for substantiated maltreatment under section 626.557 or chapter 260E.

(d) This section does not apply to a background study related to an initial application for a child foster family setting license.

(e) Except for paragraph (f), this section does not apply to a background study that is also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a personal care assistant or a qualified professional as defined in section 256B.0659, subdivision 1, or to a background study for an individual providing early intensive developmental and behavioral intervention services under section 245A.142 or 256B.0949.

(f) If the commissioner has reason to believe, based on arrest information or an active maltreatment investigation, that an individual poses an imminent risk of harm to persons receiving services, the commissioner may order that the person be continuously supervised or immediately removed pending the conclusion of the maltreatment investigation or criminal proceedings.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 245D.091, subdivision 2, is amended to read:

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

- (1) ethical considerations;
- (2) functional assessment;
- (3) functional analysis;
- (4) measurement of behavior and interpretation of data;
- (5) selecting intervention outcomes and strategies;
- (6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;
- (7) data collection;
- (8) staff and caregiver training;
- (9) support plan monitoring;
- (10) co-occurring mental disorders or neurocognitive disorder;

(11) demonstrated expertise with populations being served; and

(12) must be a:

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

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

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

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

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

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

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

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

Sec. 8. Minnesota Statutes 2024, section 245D.091, subdivision 3, is amended to read:

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

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

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

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

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

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

(1) have two years of supervised experience conducting functional behavior assessments and designing, implementing, and evaluating effectiveness of positive practices behavior support strategies for people who exhibit challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder;

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

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

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

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

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

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

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

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

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

**Sec. 9. [245D.13] OUT-OF-HOME RESPITE CARE SERVICES FOR CHILDREN.**

**Subdivision 1. Licensed setting required.** A license holder with a home and community-based services license providing out-of-home respite care services for children may do so only in a licensed setting, unless exempt under subdivision 2. For purposes of this section, "respite care services" has the meaning given in section 245A.02, subdivision 15.

**Subd. 2. Exemption from licensed setting requirement.** (a) The exemption under this subdivision does not apply to the provision of respite care services to a child in foster care under chapter 260C or 260D.

(b) A license holder with a home and community-based services license may provide out-of-home respite care services for children in an unlicensed residential setting if:

(1) all background studies are completed according to the requirements in chapter 245C;

(2) a child's case manager conducts and documents an assessment of the residential setting and the setting's environment before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence. The assessment must ensure that the setting is suitable for the child receiving respite care services. The assessment must be conducted and documented in the manner prescribed by the commissioner;



(3) the child's legal representative visits the residence and signs and dates a statement authorizing services in the residence before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence;

(4) the services are provided in a residential setting that is not licensed to provide any other licensed services;

(5) the services are provided to no more than four children at any one time. Each child must have an individual bedroom, except two siblings may share a bedroom;

(6) the services are not provided to children and adults over the age of 21 in the same residence at the same time;

(7) the services are not provided to a single family for more than 46 calendar days in a calendar year and no more than ten consecutive days;

(8) the license holder's license was not made conditional, suspended, or revoked during the previous 24 months; and

(9) each individual in the residence at the time services are provided, other than individuals receiving services, is an employee, as defined under section 245C.02, of the license holder and has had a background study completed under chapter 245C. No other household members or other individuals may be present in the residence while services are provided.

(c) A child may not receive out-of-home respite care services in more than two unlicensed residential settings in a calendar year.

(d) The license holder must ensure the requirements in this section are met.

**Subd. 3. Documentation requirements.** The license holder must maintain documentation of the following:

(1) background studies completed under chapter 245C;

(2) service recipient records indicating the calendar dates and times when services were provided;

(3) the case manager's initial residential setting assessment and each residential assessment completed thereafter; and

(4) the legal representative's approval of the residential setting before services are provided and each year thereafter.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

**Sec. 10. [256.4768] DISABILITY SERVICES TECHNOLOGY AND ADVOCACY EXPANSION GRANT.**

**Subdivision 1. Establishment.** (a) A disability services technology and advocacy expansion grant is established to:

(1) support the expansion of assistive technology and remote support services for people with disabilities; and

(2) strengthen advocacy efforts for individuals with disabilities and the providers who serve individuals with disabilities.

(b) The commissioner of human services must award the grant to an eligible grantee.

Subd. 2. **Eligible grantee.** An eligible grantee must:

- (1) be a nonprofit organization with a statewide reach;
- (2) have demonstrated knowledge of various forms of assistive technology and remote support for people with disabilities; and
- (3) have proven capacity to provide education and training to multiple constituencies.

Subd. 3. **Allowable uses of grant money.** Grant money must be used to:

- (1) develop and deliver comprehensive training programs for lead agencies, disability service providers, schools, employment support agencies, and individuals with disabilities and their families to ensure effective use of assistive technology and remote support tools. Training must address specific challenges faced by individuals with disabilities, such as accessibility, independence, and health monitoring;
- (2) provide resources and support to advocacy organizations that work with individuals with disabilities and service providers. Resources and support must be used to promote the use of assistive technology to increase self-determination and community participation;
- (3) maintain, distribute, and create accessible resources related to assistive technology and remote support. Materials must be tailored to address the unique needs of individuals with disabilities and the people and organizations who support individuals with disabilities;
- (4) conduct research to explore new and emerging assistive technology solutions that address the evolving needs of individuals with disabilities. The research must emphasize the role of technology in promoting independence, improving quality of life, and ensuring safety; and
- (5) conduct outreach initiatives to engage disability communities, service providers, and advocacy groups across Minnesota to promote awareness of assistive technology and remote support services. Outreach initiatives must focus on reaching underserved and rural populations.

Subd. 4. **Evaluation and reporting requirements.** (a) The grant recipient must submit an annual report by June 30 each year to the legislative committees with jurisdiction over disability services. The annual report must include:

- (1) the number of individuals with disabilities and service providers who received training during the reporting year;
- (2) data on the impact of assistive technology and remote support in improving quality of life, safety, and independence for individuals with disabilities; and
- (3) recommendations for further advancing technology-driven disability advocacy efforts based on feedback and research findings.

(b) No later than three months after the grant period has ended, a final evaluation must be submitted to the legislative committees with jurisdiction over disability services to assess the overall impact on expanding access to assistive technology and remote support, with a focus on lessons learned and future opportunities for Minnesota's disability communities and service providers.

Sec. 11. Minnesota Statutes 2024, section 256B.0659, subdivision 17a, is amended to read:

Subd. 17a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for personal care assistance services shall be paid for services provided to persons who qualify for ten or more hours of personal care assistance services per day when provided by a personal care assistant who meets the requirements of subdivision 11, paragraph (d). This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced rate of 112.5 percent of the rate paid for personal care assistance services shall be paid for services provided to persons who qualify for ten or more hours of personal care assistance services per day when provided by a personal care assistant who meets the requirements of subdivision 11, paragraph (d).

~~(b)~~ (c) A personal care assistance provider must use all additional revenue attributable to the rate enhancements under this subdivision for the wages and wage-related costs of the personal care assistants, including any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums. The agency must not use the additional revenue attributable to any enhanced rate under this subdivision to pay for mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or any other employee benefits.

~~(e)~~ (d) Any change in the eligibility criteria for the enhanced rate for personal care assistance services as described in this subdivision and referenced in subdivision 11, paragraph (d), does not constitute a change in a term or condition for individual providers as defined in section 256B.0711, and is not subject to the state's obligation to meet and negotiate under chapter 179A.

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

Sec. 12. Minnesota Statutes 2024, section 256B.0911, subdivision 24, is amended to read:

Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the requirements of this subdivision. Remote reassessments conducted by interactive video or telephone may substitute for in-person reassessments.

(b) For services provided by the developmental disabilities waiver under section 256B.092, and the community access for disability inclusion, community alternative care, and brain injury waiver programs under section 256B.49, remote reassessments may be substituted for ~~two~~ four consecutive reassessments if followed by an in-person reassessment.

(c) For services provided by alternative care under section 256B.0913, essential community supports under section 256B.0922, and the elderly waiver under chapter 256S, remote reassessments may be substituted for one reassessment if followed by an in-person reassessment.

(d) For personal care assistance provided under section 256B.0659 and community first services and supports provided under section 256B.85, remote reassessments may be substituted for two consecutive reassessments if followed by an in-person reassessment.

(e) A remote reassessment is permitted only if the lead agency provides informed choice and the person being reassessed or the person's legal representative provides informed consent for a remote assessment. Lead agencies must document that informed choice was offered.

(f) The person being reassessed, or the person's legal representative, may refuse a remote reassessment at any time.

(g) During a remote reassessment, if the certified assessor determines an in-person reassessment is necessary in order to complete the assessment, the lead agency shall schedule an in-person reassessment.

(h) All other requirements of an in-person reassessment apply to a remote reassessment, including updates to a person's support plan.

Sec. 13. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision to read:

Subd. 24a. **Verbal attestation to replace required reassessment signatures.** Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner shall allow for verbal attestation to replace required reassessment signatures.

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

Sec. 14. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision to read:

Subd. 25a. **Attesting to no changes in needs or services.** (a) A person who is 22 to 64 years of age and receiving home and community-based waiver services under the developmental disabilities waiver program under section 256B.092; community access for disability inclusion, community alternative care, and brain injury waiver programs under section 256B.49; and community first services and supports under section 256B.85 may attest that the person has unchanged needs from the most recent prior assessment or reassessment for up to two consecutive reassessments, if the lead agency provides informed choice and the person being reassessed or the person's legal representative provides informed consent. Lead agencies must document that informed choice was offered.

(b) The person or person's legal representative must attest, verbally or through alternative communications, that the information provided in the previous assessment or reassessment is still accurate and applicable and that no changes in the person's circumstances have occurred that would require changes from the most recent prior assessment or reassessment. The person or the person's legal representative may request a full reassessment at any time.

(c) The assessor must review the most recent prior assessment or reassessment as required in subdivision 22, paragraphs (a) and (b), clause (1), before conducting the interview. The certified assessor must confirm that the information from the previous assessment or reassessment is current.

(d) The assessment conducted under this section must:

(1) verify current assessed support needs;

(2) confirm continued need for the currently assessed level of care;

(3) inform the person of alternative long-term services and supports available;

(4) provide informed choice of institutional or home and community-based services; and

(5) identify changes in need that may require a full reassessment.

(e) The assessor must ensure that any new assessment items or requirements mandated by federal or state authority are addressed and the person must provide required information.

Sec. 15. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

Subd. 26. **Determination of institutional level of care.** (a) The determination of need for hospital and intermediate care facility levels of care must be made according to criteria developed by the commissioner, and in section 256B.092, using forms developed by the commissioner.

(b) The determination of need for nursing facility level of care must be made based on criteria in section 144.0724, subdivision 11. This paragraph expires upon the effective date of paragraph (c).

(c) Effective January 1, 2026, or upon federal approval, whichever is later, the determination of need for nursing facility level of care must be made based on criteria in section 144.0724, subdivision 11, except for determinations of need for purposes of the brain injury and community access for disability inclusion waivers under section 256B.49. Determinations of need for the brain injury and community access for disability inclusion waivers must be made based on criteria in section 144.0724, subdivision 11a.

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

Sec. 16. Minnesota Statutes 2024, section 256B.0924, subdivision 6, is amended to read:

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

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

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county, except to reimburse the county for advance funding provided by the county to the vendor.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 2024, section 256B.0949, subdivision 15, is amended to read:

Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be ~~employed by~~ an employee of an agency and be:

(1) a licensed mental health professional who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development; or

(2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development.

(b) A level I treatment provider must be ~~employed by~~ an employee of an agency and:

(1) have at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or an equivalent combination of documented coursework or hours of experience; and

(2) have or be at least one of the following:

(i) a master's degree in behavioral health or child development or related fields including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university;

(ii) a bachelor's degree in a behavioral health, child development, or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy, from an accredited college or university, and advanced certification in a treatment modality recognized by the department;

(iii) a board-certified behavior analyst as defined by the Behavior Analyst Certification Board or a qualified behavior analyst as defined by the Qualified Applied Behavior Analysis Credentialing Board; or

(iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical experience that meets all registration, supervision, and continuing education requirements of the certification.

(c) A level II treatment provider must be ~~employed by~~ an employee of an agency and must be:

(1) a person who has a bachelor's degree from an accredited college or university in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy; and meets at least one of the following:

(i) has at least 1,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or a combination of coursework or hours of experience;

(ii) has certification as a board-certified assistant behavior analyst from the Behavior Analyst Certification Board or a qualified autism service practitioner from the Qualified Applied Behavior Analysis Credentialing Board;

(iii) is a registered behavior technician as defined by the Behavior Analyst Certification Board or an applied behavior analysis technician as defined by the Qualified Applied Behavior Analysis Credentialing Board; or

(iv) is certified in one of the other treatment modalities recognized by the department; or

(2) a person who has:

(i) an associate's degree in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university; and

(ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(3) a person who has at least 4,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(4) a person who is a graduate student in a behavioral science, child development science, or related field and is receiving clinical supervision by a QSP affiliated with an agency to meet the clinical training requirements for experience and training with people with ASD or a related condition; or

(5) a person who is at least 18 years of age and who:

(i) is fluent in a non-English language or is an individual certified by a Tribal Nation;

(ii) completed the level III EIDBI training requirements; and

(iii) receives observation and direction from a QSP or level I treatment provider at least once a week until the person meets 1,000 hours of supervised clinical experience.

(d) A level III treatment provider must be ~~employed by~~ an employee of an agency, have completed the level III training requirement, be at least 18 years of age, and have at least one of the following:

(1) a high school diploma or commissioner of education-selected high school equivalency certification;

(2) fluency in a non-English language or Tribal Nation certification;

(3) one year of experience as a primary personal care assistant, community health worker, waiver service provider, or special education assistant to a person with ASD or a related condition within the previous five years; or

(4) completion of all required EIDBI training within six months of employment.

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

Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 16, is amended to read:

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

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

(2) demonstrate compliance with federal and state laws for EIDBI service;

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

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

(5) have established business practices including written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services;



- (6) have an office located in Minnesota or a border state;
  - (7) conduct a criminal background check on an individual who has direct contact with the person or the person's legal representative;
  - (8) report maltreatment according to section 626.557 and chapter 260E;
  - (9) comply with any data requests consistent with the Minnesota Government Data Practices Act, sections 256B.064 and 256B.27;
  - (10) provide training for all agency staff on the requirements and responsibilities listed in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act, section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to report suspected abuse and neglect;
  - (11) have a written policy to resolve issues collaboratively with the person and the person's legal representative when possible. The policy must include a timeline for when the person and the person's legal representative will be notified about issues that arise in the provision of services;
  - (12) provide the person's legal representative with prompt notification if the person is injured while being served by the agency. An incident report must be completed by the agency staff member in charge of the person. A copy of all incident and injury reports must remain on file at the agency for at least five years from the report of the incident; ~~and~~
  - (13) before starting a service, provide the person or the person's legal representative a description of the treatment modality that the person shall receive, including the staffing certification levels and training of the staff who shall provide a treatment;
  - (14) provide clinical supervision by a qualified supervising professional for a minimum of one hour of supervision for every ten hours of direct treatment per person that meets clinical licensure requirements for quality supervision and effective intervention; and
  - (15) provide clinical, in-person supervision sessions by a qualified supervising professional at least once per month for intervention, observation, and direction.
- (b) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:
- (1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;
  - (2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and
  - (3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 19. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision to read:

Subd. 18. **Provisional licensure.** Beginning on January 1, 2026, the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies pursuant to section 245A.142.

Sec. 20. Minnesota Statutes 2024, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. **Division of cost.** The state and county share of medical assistance costs not paid by federal funds shall be as follows:

(1) beginning January 1, 1992, 50 percent state funds and 50 percent county funds for the cost of placement of severely emotionally disturbed children in regional treatment centers;

(2) beginning January 1, 2003, 80 percent state funds and 20 percent county funds for the costs of nursing facility placements of persons with disabilities under the age of 65 that have exceeded 90 days. This clause shall be subject to chapter 256G and shall not apply to placements in facilities not certified to participate in medical assistance;

(3) beginning July 1, 2004, 90 percent state funds and ten percent county funds for the costs of placements that have exceeded 90 days in intermediate care facilities for persons with developmental disabilities that have seven or more beds. This provision includes pass-through payments made under section 256B.5015; ~~and~~

(4) beginning July 1, 2004, when state funds are used to pay for a nursing facility placement due to the facility's status as an institution for mental diseases (IMD), the county shall pay 20 percent of the nonfederal share of costs that have exceeded 90 days. This clause is subject to chapter 256G.

For counties that participate in a Medicaid demonstration project under sections 256B.69 and 256B.71, the division of the nonfederal share of medical assistance expenses for payments made to prepaid health plans or for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

In counties where prepaid health plans are under contract to the commissioner to provide services to medical assistance recipients, the cost of court ordered treatment ordered without consulting the prepaid health plan that does not include diagnostic evaluation, recommendation, and referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility; and

(5) beginning July 1, 2026, or upon federal approval, whichever is later, 67 percent state funds and 33 percent county funds for the costs of services for all individual waiver recipients who receive rates determined under section 256B.4914, subdivision 14.

Sec. 21. Minnesota Statutes 2024, section 256B.4914, subdivision 3, is amended to read:

Subd. 3. **Applicable services.** (a) Applicable services are those authorized under the state's home and community-based services waivers under sections 256B.092 and 256B.49, including the following, as defined in the federally approved home and community-based services plan:

(1) 24-hour customized living;

(2) adult day services;

(3) adult day services bath;

(4) community residential services;

(5) customized living;

- (6) day support services;
  - (7) employment development services;
  - (8) employment exploration services;
  - (9) employment support services;
  - (10) family residential services;
  - (11) individualized home supports;
  - (12) individualized home supports with family training;
  - (13) individualized home supports with training;
  - (14) integrated community supports;
  - (15) life sharing;
  - (16) effective until the effective date of clauses (17) and (18), night supervision;
  - (17) effective January 1, 2026, or upon federal approval, whichever is later, awake night supervision;
  - (18) effective January 1, 2026, or upon federal approval, whichever is later, asleep night supervision;
  - ~~(17)~~ (19) positive support services;
  - ~~(18)~~ (20) prevocational services;
  - ~~(19)~~ (21) residential support services;
  - ~~(20)~~ (22) respite services;
  - ~~(21)~~ (23) transportation services; and
  - ~~(22)~~ (24) other services as approved by the federal government in the state home and community-based services waiver plan.
- (b) Effective January 1, 2024, or upon federal approval, whichever is later, respite services under paragraph (a), clause ~~(20)~~ (22), are not an applicable service under this section.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except that the amendments to paragraph (b) are effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Minnesota Statutes 2024, section 256B.4914, subdivision 5, is amended to read:

Subd. 5. **Base wage index; establishment and updates.** (a) The base wage index is established to determine staffing costs associated with providing services to individuals receiving home and community-based services. For purposes of calculating the base wage, Minnesota-specific wages taken from job descriptions and standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the Occupational Handbook must be used.

(b) The commissioner shall update the base wage index in subdivision 5a, publish these updated values, and load them into the rate management system as ~~follows:—required under subdivision 5b.~~

~~(1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics available as of December 31, 2019;~~

~~(2) on January 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics published in March 2022; and~~

~~(3) on January 1, 2026, and every two years thereafter, based on wage data by SOC from the Bureau of Labor Statistics published in the spring approximately 21 months prior to the scheduled update.~~

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 23. Minnesota Statutes 2024, section 256B.4914, subdivision 5a, is amended to read:

Subd. 5a. **Base wage index; calculations.** The base wage index must be calculated as follows:

(1) for supervisory staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099), with the exception of the supervisor of positive supports professional, positive supports analyst, and positive supports specialist, which is 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC code 29-1141);

(3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical nurses (SOC code 29-2061);

(4) for residential asleep-overnight staff, the minimum wage in Minnesota for large employers;

(5) for residential direct care staff, the sum of:

(i) 15 percent of the subtotal of 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); 30 percent of the median wage for nursing assistant (SOC code 31-1131); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(ii) 85 percent of the subtotal of 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(6) for adult day services staff, 70 percent of the median wage for nursing assistant (SOC code 31-1131); and 30 percent of the median wage for home health and personal care aide (SOC code 31-1120);

(7) for day support services staff and prevocational services staff, 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(8) for positive supports analyst staff, 100 percent of the median wage for substance abuse, behavioral disorder, and mental health counselor (SOC code 21-1018);

(9) for positive supports professional staff, 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(10) for positive supports specialist staff, 100 percent of the median wage for psychiatric technicians (SOC code 29-2053);

(11) for individualized home supports with family training staff, 20 percent of the median wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community social service specialist (SOC code 21-1099); 40 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(12) for individualized home supports with training services staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(13) for employment support services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(14) for employment exploration services staff, 50 percent of the median wage for education, guidance, school, and vocational counselor (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(15) for employment development services staff, 50 percent of the median wage for education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(16) for individualized home support without training staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); and 50 percent of the median wage for nursing assistant (SOC code 31-1131); ~~and~~

(17) effective until the effective date of clauses (18) and (19), for night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);;

(18) effective January 1, 2026, or upon federal approval, whichever is later, for awake night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aid (SOC code 21-1093); and

(19) effective January 1, 2026, or upon federal approval, whichever is later, for asleep night supervision staff, the minimum wage in Minnesota for large employers.

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

Sec. 24. Minnesota Statutes 2024, section 256B.4914, subdivision 5b, is amended to read:

Subd. 5b. **Standard component value adjustments.** The commissioner shall update the base wage index, client and programming support, transportation, and program facility cost component values as required in subdivisions 5a and 6 to 9 and the rates identified in subdivision 19 for changes in the Consumer Price Index. If the

result of this update exceeds four percent, the commissioner shall implement a change to these component values of four percent. If the result of this update is less than four percent, the commissioner shall implement the full value of the change. The commissioner shall adjust these values higher or lower, publish these updated values, and load them into the rate management system ~~as follows:~~

~~(1) on January 1, 2022, by the percentage change in the CPI-U from the date of the previous update to the data available on December 31, 2019;~~

~~(2) on January 1, 2024, by the percentage change in the CPI-U from the date of the previous update to the data available as of December 31, 2022; and~~

~~(3) on January 1, 2026, and every two years thereafter, by the percentage change in the CPI-U from the date of the previous update to the data available 24 months and one day prior to the scheduled update.~~

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2024, section 256B.4914, subdivision 6a, is amended to read:

Subd. 6a. **Community residential services; component values and calculation of payment rates.** (a) Component values for community residential services are:

- (1) competitive workforce factor: 6.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) general administrative support ratio: 13.25 percent; and
- (6) program-related expense ratio: 1.3 percent; ~~and.~~
- ~~(7) absence and utilization factor ratio: 3.9 percent.~~

(b) Payments for community residential services must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs provided on site or through monitoring technology;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the appropriate staff wages;

(6) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the product of the supervision span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), excluding any shared direct staffing and individual direct staffing hours provided through monitoring technology, and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing cost;

(8) for employee-related expenses, multiply the direct staffing cost, excluding any shared direct staffing and individual hours provided through monitoring technology, by one plus the employee-related cost ratio;

(9) for client programming and supports, add \$2,260.21 divided by 365. The commissioner shall update the amount in this clause as specified in subdivision 5b;

(10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided by 365 if customized for adapted transport, based on the resident with the highest assessed need. The commissioner shall update the amounts in this clause as specified in subdivision 5b;

(11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing and individual direct staffing hours provided through monitoring technology that was excluded in clause (8);

(12) sum the standard general administrative support ratio; and the program-related expense ratio; ~~and the absence and utilization factor ratio;~~

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount; and

(14) adjust the result of clause (13) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 26. Minnesota Statutes 2024, section 256B.4914, subdivision 6b, is amended to read:

Subd. 6b. **Family residential services; component values and calculation of payment rates.** (a) Component values for family residential services are:

(1) competitive workforce factor: 6.7 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) general administrative support ratio: 3.3 percent; and

(6) program-related expense ratio: 1.3 percent; ~~and.~~

~~(7) absence factor: 1.7 percent.~~

(b) Payments for family residential services must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs provided on site or through monitoring technology;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the appropriate staff wages;

(6) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), excluding any shared direct staffing and individual direct staffing hours provided through monitoring technology, and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing cost;

(8) for employee-related expenses, multiply the direct staffing cost, excluding any shared and individual direct staffing hours provided through monitoring technology, by one plus the employee-related cost ratio;

(9) for client programming and supports, add \$2,260.21 divided by 365. The commissioner shall update the amount in this clause as specified in subdivision 5b;

(10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided by 365 if customized for adapted transport, based on the resident with the highest assessed need. The commissioner shall update the amounts in this clause as specified in subdivision 5b;

(11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing and individual direct staffing hours provided through monitoring technology that was excluded in clause (8);

(12) sum the standard general administrative support ratio; and the program-related expense ratio; ~~and the absence and utilization factor ratio;~~

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment rate; and

(14) adjust the result of clause (13) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.



Sec. 27. Minnesota Statutes 2024, section 256B.4914, subdivision 6c, is amended to read:

Subd. 6c. **Integrated community supports; component values and calculation of payment rates.** (a) Component values for integrated community supports are:

- (1) competitive workforce factor: 6.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) general administrative support ratio: 13.25 percent; and
- (6) program-related expense ratio: 1.3 percent; ~~and~~
- ~~(7) absence and utilization factor ratio: 3.9 percent.~~

(b) Payments for integrated community supports must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs. The base shared direct staffing hours must be eight hours divided by the number of people receiving support in the integrated community support setting, and the individual direct staffing hours must be the average number of direct support hours provided directly to the service recipient;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of shared direct staffing and individual direct staffing hours in clause (1) by the appropriate staff wages;

(6) multiply the number of shared direct staffing and individual direct staffing hours in clause (1) by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6) and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing cost;

(8) for employee-related expenses, multiply the direct staffing cost by one plus the employee-related cost ratio;

(9) for client programming and supports, add \$2,260.21 divided by 365. The commissioner shall update the amount in this clause as specified in subdivision 5b;

(10) add the results of clauses (8) and (9);

(11) add the standard general administrative support ratio; and the program-related expense ratio; ~~and the absence and utilization factor ratio;~~

(12) divide the result of clause (10) by one minus the result of clause (11). This is the total payment amount; and

(13) adjust the result of clause (12) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 28. Minnesota Statutes 2024, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Unit-based services with programming; component values and calculation of payment rates.** (a) For the purpose of this section, unit-based services with programming include employment exploration services, employment development services, employment support services, individualized home supports with family training, individualized home supports with training, and positive support services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for unit-based services with programming are:

(1) competitive workforce factor: 6.7 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 15.5 percent;

(6) client programming and support ratio: 4.7 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 6.1 percent; and

(9) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for unit-based services with programming is 15 minutes.

(d) Payments for unit-based services with programming must be calculated as follows, unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;

(14) for services provided in a shared manner, divide the total payment in clause (13) as follows:

(i) for employment exploration services, divide by the number of service recipients, not to exceed five;

(ii) for employment support services, divide by the number of service recipients, not to exceed six;

(iii) for individualized home supports with training and individualized home supports with family training, divide by the number of service recipients, not to exceed three; and

(iv) for night supervision, divide by the number of service recipients, not to exceed two; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

(e) Effective January 1, 2027, or upon federal approval, whichever is later, providers may not bill more than eight hours per day for individualized home supports with training and individualized home supports with family training. This maximum does not limit a person's use of other disability waiver services.

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

Sec. 29. Minnesota Statutes 2024, section 256B.4914, subdivision 9, is amended to read:

Subd. 9. **Unit-based services without programming; component values and calculation of payment rates.**

(a) For the purposes of this section, unit-based services without programming include individualized home supports without training and night supervision provided to an individual outside of any service plan for a day program or residential support service. Unit-based services without programming do not include respite. This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2026, or upon federal approval, whichever is later, for the purposes of this section, unit-based services without programming include individualized home supports without training, awake night supervision, and asleep night supervision provided to an individual outside of any service plan for a day program or residential support service.

~~(b)~~ (c) Component values for unit-based services without programming are:

- (1) competitive workforce factor: 6.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) program plan support ratio: 7.0 percent;
- (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision 5b;
- (7) general administrative support ratio: 13.25 percent;
- (8) program-related expense ratio: 2.9 percent; and
- (9) absence and utilization factor ratio: 3.9 percent.

~~(c)~~ (d) A unit of service for unit-based services without programming is 15 minutes.

~~(d)~~ (e) Payments for unit-based services without programming must be calculated as follows unless the services are reimbursed separately as part of a residential support services or day program payment rate:

- (1) determine the number of units of service to meet a recipient's needs;
- (2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 to 5a;
- (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;
- (4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);
- (5) multiply the number of direct staffing hours by the appropriate staff wage;
- (6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- (7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;
- (8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

- (9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;
- (10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;
- (11) this is the subtotal rate;
- (12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;
- (13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;
- (14) for individualized home supports without training provided in a shared manner, divide the total payment amount in clause (13) by the number of service recipients, not to exceed three; and
- (15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

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

Sec. 30. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision to read:

Subd. 14a. **Limitations on rate exceptions for residential services.** (a) Effective July 1, 2026, the commissioner must implement limitations on the size and number of rate exceptions for community residential services, customized living services, family residential services, and integrated community supports.

(b) For rate exceptions related to behavioral needs, the commissioner must include:

(1) a documented behavioral diagnosis; or

(2) determined assessed needs for behavioral supports as identified in the person's most recent assessment.

(c) Community residential services rate exceptions must not include positive supports costs.

(d) The commissioner must not approve rate exception requests related to increased community time or transportation.

(e) For the commissioner to approve a rate exception annual renewal, the person's most recent assessment must indicate continued extraordinary needs in the areas cited in the exception request. If a person's assessment continues to identify these extraordinary needs, lead agencies requesting an annual renewal of rate exceptions must submit provider-created documentation supporting the continuation of the exception, including but not limited to:

(1) payroll records for direct care wages cited in the request;

(2) payment records or receipts for other costs cited in the request; and

(3) documentation of expenses paid that were identified as necessary for the initial rate exception.

(f) The commissioner must not increase rate exception annual renewals that request an exception to direct care or supervision wages more than the most recently implemented base wage index determined under subdivision 5.

(g) The commissioner must publish online an annual report detailing the impact of the limitations under this subdivision on home and community-based services spending, including but not limited to:

- (1) the number and percentage of rate exceptions granted and denied;
- (2) total spending on community residential setting services and rate exceptions;
- (3) trends in the percentage of spending attributable to rate exceptions; and
- (4) an evaluation of the effectiveness of the limitations in controlling spending growth.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 31. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision to read:

Subd. 20. **Sanctions and monetary recovery.** Payments under this section are subject to the sanctions and monetary recovery requirements under section 256B.064.

Sec. 32. Minnesota Statutes 2024, section 256B.85, subdivision 7a, is amended to read:

Subd. 7a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for CFSS must be paid for services provided to persons who qualify for ten or more hours of CFSS per day when provided by a support worker who meets the requirements of subdivision 16, paragraph (e). This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons who qualify for ten or more hours of CFSS per day when provided by a support worker who meets the requirements of subdivision 16, paragraph (e).

~~(b)~~ (c) An agency provider must use all additional revenue attributable to the rate enhancements under this subdivision for the wages and wage-related costs of the support workers, including any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums. The agency provider must not use the additional revenue attributable to any enhanced rate under this subdivision to pay for mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or any other employee benefits.

~~(e)~~ (d) Any change in the eligibility criteria for the enhanced rate for CFSS as described in this subdivision and referenced in subdivision 16, paragraph (e), does not constitute a change in a term or condition for individual providers as defined in section 256B.0711, and is not subject to the state's obligation to meet and negotiate under chapter 179A.

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

Sec. 33. Minnesota Statutes 2024, section 256B.85, subdivision 8, is amended to read:

Subd. 8. **Determination of CFSS service authorization amount.** (a) All community first services and supports must be authorized by the commissioner or the commissioner's designee before services begin. The authorization for CFSS must be completed as soon as possible following an assessment but no later than 40 calendar days from the date of the assessment.

(b) The amount of CFSS authorized must be based on the participant's home care rating described in paragraphs (d) and (e) and any additional service units for which the participant qualifies as described in paragraph (f).

(c) The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner identifying the following for a participant:

- (1) the total number of dependencies of activities of daily living;
- (2) the presence of complex health-related needs; and
- (3) the presence of Level I behavior.

(d) The methodology to determine the total service units for CFSS for each home care rating is based on the median paid units per day for each home care rating from fiscal year 2007 data for the PCA program.

(e) Each home care rating is designated by the letters P through Z and EN and has the following base number of service units assigned:

(1) P home care rating requires Level I behavior or one to three dependencies in ADLs and qualifies the person for five service units;

(2) Q home care rating requires Level I behavior and one to three dependencies in ADLs and qualifies the person for six service units;

(3) R home care rating requires a complex health-related need and one to three dependencies in ADLs and qualifies the person for seven service units;

(4) S home care rating requires four to six dependencies in ADLs and qualifies the person for ten service units;

(5) T home care rating requires four to six dependencies in ADLs and Level I behavior and qualifies the person for 11 service units;

(6) U home care rating requires four to six dependencies in ADLs and a complex health-related need and qualifies the person for 14 service units;

(7) V home care rating requires seven to eight dependencies in ADLs and qualifies the person for 17 service units;

(8) W home care rating requires seven to eight dependencies in ADLs and Level I behavior and qualifies the person for 20 service units;

(9) Z home care rating requires seven to eight dependencies in ADLs and a complex health-related need and qualifies the person for 30 service units; and

(10) EN home care rating includes ventilator dependency as defined in section 256B.0651, subdivision 1, paragraph (g). A person who meets the definition of ventilator-dependent and the EN home care rating and utilize a combination of CFSS and home care nursing services is limited to a total of 96 service units per day for those services in combination. Additional units may be authorized when a person's assessment indicates a need for two staff to perform activities. Additional time is limited to 16 service units per day.

(f) Additional service units are provided through the assessment and identification of the following:

(1) 30 additional minutes per day for a dependency in each critical activity of daily living;

(2) 30 additional minutes per day for each complex health-related need; and

(3) 30 additional minutes per day for each behavior under this clause that requires assistance at least four times per week:

(i) level I behavior that requires the immediate response of another person;

(ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or

(iii) increased need for assistance for participants who are verbally aggressive or resistive to care so that the time needed to perform activities of daily living is increased.

(g) The service budget for budget model participants shall be based on:

(1) assessed units as determined by the home care rating; and

(2) an adjustment needed for administrative expenses. This paragraph expires upon the effective date of paragraph (h).

(h) Effective January 1, 2026, or upon federal approval, whichever is later, the service budget for budget model participants shall be based on:

(1) assessed units as determined by the home care rating and the payment methodologies under section 256B.851; and

(2) an adjustment needed for administrative expenses.

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

Sec. 34. Minnesota Statutes 2024, section 256B.85, subdivision 16, is amended to read:

Subd. 16. **Support workers requirements.** (a) Support workers shall:

(1) enroll with the department as a support worker after a background study under chapter 245C has been completed and the support worker has received a notice from the commissioner that the support worker:

(i) is not disqualified under section 245C.14; or

(ii) is disqualified, but has received a set-aside of the disqualification under section 245C.22;

(2) have the ability to effectively communicate with the participant or the participant's representative;

(3) have the skills and ability to provide the services and supports according to the participant's CFSS service delivery plan and respond appropriately to the participant's needs;



(4) complete the basic standardized CFSS training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. CFSS support worker training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of support workers including information about basic body mechanics, emergency preparedness, orientation to positive behavioral practices, orientation to responding to a mental health crisis, fraud issues, time cards and documentation, and an overview of person-centered planning and self-direction. Upon completion of the training components, the support worker must pass the certification test to provide assistance to participants;

(5) complete employer-directed training and orientation on the participant's individual needs;

(6) maintain the privacy and confidentiality of the participant; and

(7) not independently determine the medication dose or time for medications for the participant.

(b) The commissioner may deny or terminate a support worker's provider enrollment and provider number if the support worker:

(1) does not meet the requirements in paragraph (a);

(2) fails to provide the authorized services required by the employer;

(3) has been intoxicated by alcohol or drugs while providing authorized services to the participant or while in the participant's home;

(4) has manufactured or distributed drugs while providing authorized services to the participant or while in the participant's home; or

(5) has been excluded as a provider by the commissioner of human services, or by the United States Department of Health and Human Services, Office of Inspector General, from participation in Medicaid, Medicare, or any other federal health care program.

(c) A support worker may appeal in writing to the commissioner to contest the decision to terminate the support worker's provider enrollment and provider number.

(d) A support worker must not provide or be paid for more than 310 hours of CFSS per month, regardless of the number of participants the support worker serves or the number of agency-providers or participant employers by which the support worker is employed. The department shall not disallow the number of hours per day a support worker works unless it violates other law.

(e) CFSS qualify for an enhanced rate if the support worker providing the services:

(1) provides services, within the scope of CFSS described in subdivision 7, to a participant who qualifies for ten or more hours per day of CFSS; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved training or competency requirements. This paragraph expires upon the effective date of paragraph (f).

(f) Effective January 1, 2026, or upon federal approval, whichever is later, CFSS qualify for an enhanced rate or budget if the support worker providing the services:

(1) provides services, within the scope of CFSS described in subdivision 7, to a participant who qualifies for ten or more hours per day of CFSS; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved training or competency requirements.

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

Sec. 35. Minnesota Statutes 2024, section 256B.851, subdivision 5, is amended to read:

Subd. 5. **Payment rates; component values.** (a) The commissioner must use the following component values:

- (1) employee vacation, sick, and training factor, 8.71 percent;
- (2) employer taxes and workers' compensation factor, 11.56 percent;
- (3) employee benefits factor, 12.04 percent;
- (4) client programming and supports factor, 2.30 percent;
- (5) program plan support factor, 7.00 percent;
- (6) general business and administrative expenses factor, 13.25 percent;
- (7) program administration expenses factor, 2.90 percent; and
- (8) absence and utilization factor, 3.90 percent.

(b) For purposes of implementation, the commissioner shall use the following implementation components:

- (1) personal care assistance services and CFSS: 88.19 percent;
- (2) enhanced rate personal care assistance services and enhanced rate CFSS: 88.19 percent; and
- (3) qualified professional services and CFSS worker training and development: 88.19 percent. This paragraph expires upon the effective date of paragraph (c).

(c) Effective January 1, 2026, or upon federal approval, whichever is later, for purposes of implementation, the commissioner shall use the following implementation components:

- (1) personal care assistance services and CFSS: 92.20 percent;
- (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20 percent; and
- (3) qualified professional services and CFSS worker training and development: 92.20 percent.

~~(e)~~ (d) Effective January 1, 2025, for purposes of implementation, the commissioner shall use the following implementation components:

(1) personal care assistance services and CFSS: 92.08 percent;

(2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08 percent; and

(3) qualified professional services and CFSS worker training and development: 92.08 percent. This paragraph expires upon the effective date of paragraph (c).

~~(d)~~ (e) The commissioner shall use the following worker retention components:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is zero percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 2.17 percent;

(3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 4.36 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 7.35 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 10.81 percent. This paragraph expires upon the effective date of paragraph (f).

(f) Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner shall use the following worker retention components:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is zero percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 4.05 percent;

(3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 6.24 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 9.23 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 12.69 percent.

~~(e)~~ (g) The commissioner shall define the appropriate worker retention component based on the total number of units billed for services rendered by the individual provider since July 1, 2017. The worker retention component must be determined by the commissioner for each individual provider and is not subject to appeal.

(h) Effective January 1, 2027, or upon federal approval, whichever is later, for purposes of implementation, the commissioner shall use the following implementation components if a worker has completed either the orientation for individual providers offered through the Home Care Orientation Trust or an orientation defined and offered by the commissioner:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is 1.88 percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 5.92 percent;

(3) for workers who have provided between 2,001, and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 8.11 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 11.10 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 14.56 percent.

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

Sec. 36. Minnesota Statutes 2024, section 256B.851, subdivision 6, is amended to read:

Subd. 6. **Payment rates; rate determination.** (a) The commissioner must determine the rate for personal care assistance services, CFSS, extended personal care assistance services, extended CFSS, enhanced rate personal care assistance services, enhanced rate CFSS, qualified professional services, and CFSS worker training and development as follows:

(1) multiply the appropriate total wage component value calculated in subdivision 4 by one plus the employee vacation, sick, and training factor in subdivision 5;

(2) for program plan support, multiply the result of clause (1) by one plus the program plan support factor in subdivision 5;

(3) for employee-related expenses, add the employer taxes and workers' compensation factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is employee-related expenses. Multiply the product of clause (2) by one plus the value for employee-related expenses;

(4) for client programming and supports, multiply the product of clause (3) by one plus the client programming and supports factor in subdivision 5;

(5) for administrative expenses, add the general business and administrative expenses factor in subdivision 5, the program administration expenses factor in subdivision 5, and the absence and utilization factor in subdivision 5;

(6) divide the result of clause (4) by one minus the result of clause (5). The quotient is the hourly rate;

(7) multiply the hourly rate by the appropriate implementation component under subdivision 5. This is the adjusted hourly rate; and

(8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment rate.

(b) In processing personal care assistance provider agency and CFSS provider agency claims, the commissioner shall incorporate the worker retention component specified in subdivision 5, by multiplying one plus the total adjusted payment rate by the appropriate worker retention component under subdivision 5, paragraph (d).

(c) The commissioner must publish the total final payment rates.

(d) The commissioner shall increase the authorization for the CFSS budget model of those CFSS participant-employers employing individual providers who have provided more than 1,000 hours of services as well as individual providers who have completed the orientation offered by the Home Care Orientation Trust or an orientation defined and offered by the commissioner. The commissioner shall determine the amount and method of the authorization increase.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 37. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency responsible for investigating allegations of maltreatment in child foster care, family child care, legally nonlicensed child care, and reports involving children served by an unlicensed personal care provider organization under section 256B.0659. Copies of findings related to personal care provider organizations under section 256B.0659 must be forwarded to the Department of Human Services provider enrollment.

(b) The Department of Children, Youth, and Families is the agency responsible for screening and investigating allegations of maltreatment in juvenile correctional facilities listed under section 241.021 located in the local welfare agency's county and in facilities licensed or certified under chapters 245A and 245D.

(c) The Department of Health is the agency responsible for screening and investigating allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43 to 144A.482 or chapter 144H.

(d) The Department of Education is the agency responsible for screening and investigating allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E. The Department of Education's responsibility to screen and investigate includes allegations of maltreatment involving students 18 through 21 years of age, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma.

(e) The Department of Human Services is the agency responsible for screening and investigating allegations of maltreatment of minors in an EIDBI agency operating under sections 245A.142 and 256B.0949.

~~(e)~~ (f) A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

~~(f)~~ (g) The Department of Children, Youth, and Families is the agency responsible for screening and investigating allegations of maltreatment in facilities or programs not listed in paragraph (a) that are licensed or certified under chapters 142B and 142C.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 38. Minnesota Statutes 2024, section 626.5572, subdivision 13, is amended to read:

Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary administrative agency responsible for investigating reports made under section 626.557.

(a) The Department of Health is the lead investigative agency for facilities or services licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding care homes, hospice providers, residential facilities that are also federally certified as intermediate care facilities that serve people with developmental disabilities, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Health for the care of vulnerable adults. "Home care provider" has the meaning provided in section 144A.43, subdivision 4, and applies when care or services are delivered in the vulnerable adult's home.

(b) The Department of Human Services is the lead investigative agency for facilities or services licensed or required to be licensed as adult day care, adult foster care, community residential settings, programs for people with disabilities, family adult day services, mental health programs, mental health clinics, substance use disorder programs, the Minnesota Sex Offender Program, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Human Services, including EIDBI agencies under sections 245A.142 and 256B.0949.

(c) The county social service agency or its designee is the lead investigative agency for all other reports, including, but not limited to, reports involving vulnerable adults receiving services from a personal care provider organization under section 256B.0659.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 39. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to read:

Sec. 73. **WAIVER REIMAGINE PHASE II.**

(a) Effective January 1, 2028, or upon federal approval, whichever is later, the commissioner of human services must implement a two-home and community-based services waiver program structure, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(b) Effective January 1, 2028, or upon federal approval, whichever is later, the commissioner of human services must implement an individualized budget methodology, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(c) The commissioner must develop an individualized budget methodology exception to support access to home care nursing services. Lead agencies must submit budget exception requests to the commissioner in a form and manner prescribed by the commissioner. Eligibility for the budget exception in this paragraph is limited to persons meeting all of the following criteria in their most recent assessment:

(1) the person needs the level of care delivered in a hospital setting;

(2) the person receives a support range budget of E; and

(3) the person does not receive community residential services, family residential services, integrated community supports, or customized living. Nursing supports funded through the budget exception identified in this paragraph must be delivered by a Medicare-certified home health nurse or a licensed home care nurse under section 256B.0654.

(d) If any of the requirements outlined in paragraph (c) are no longer met following a person's annual reassessment under section 256B.0911, the commissioner must terminate the budget exception. Lead agencies must require documentation to ensure that all home care nursing services authorized under this budget exception are used for home care nursing services and not used to fund nonhome care nursing services.

(e) (e) The commissioner of human services may seek all federal authority necessary to implement this section.

(d) (f) The commissioner must ensure that the new waiver service menu and individual budgets allow people to live in their own home, family home, or any home and community-based setting of their choice. The commissioner must ensure, within available resources and subject to state and federal regulations and law, that waiver reimagine does not result in unintended service disruptions.

(g) No later than January 1, 2027, the commissioner must:

(1) develop and implement an online support planning and tracking tool to provide information in an accessible format to support informed choice for people using disability waiver services that allows access to the total budget available to a person, the services for which they are eligible, and the services they have chosen and used;

(2) explore operability options that facilitate real-time tracking of a person's remaining available budget throughout the service year; and

(3) seek input from people with disabilities about the online support planning tool prior to the tool's implementation.

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

Sec. 40. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28, is amended to read:

Subd. 4. **Required report.** Prior to seeking federal approval for any aspect of waiver reimagine phase II and ~~in collaboration with the Waiver Reimagine Advisory Committee~~ no later than December 15, 2026, the commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services a report on plans for waiver reimagine phase II, as well as the actual Waiver Reimagine plan intended to be submitted for federal approval. The report must also include any plans to adjust or modify the streamlined menu of services, the existing rate or budget exemption criteria or process; the proposed individual budget ~~ranges~~, based on need and not location of services, including additional budget resources beyond the resources required to meet assessed need that may be necessary for the individual to live in the least restrictive environment; and the role of MnCHOICES 2.0 assessment tool in determining service needs and individual ~~budget ranges~~ budgets.

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

Sec. 41. Laws 2023, chapter 61, article 1, section 5, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 42. Laws 2023, chapter 61, article 1, section 27, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later, except that paragraph (b) is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 43. Laws 2023, chapter 61, article 1, section 30, the effective date, is amended to read:

**EFFECTIVE DATE.** The amendment to clause (5), item (ii), the amendment to clause (14), and the amendment striking clause (18) are effective January 1, 2024, or upon federal approval, whichever is later. The amendment to clause (4) is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 44. Laws 2023, chapter 61, article 1, section 32, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 45. Laws 2023, chapter 61, article 1, section 47, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 46. Laws 2023, chapter 61, article 1, section 61, subdivision 4, is amended to read:

Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy an interim report on the impact and outcomes of the grants, including the number of grants awarded and the organizations receiving the grants. The interim report must include any available evidence of how grantees were able to increase utilization of supported decision making and reduce or avoid more restrictive forms of decision making such as guardianship and conservatorship. By December 1, ~~2025~~ 2027, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a final report on the impact and outcomes of the grants, including any updated information from the interim report and the total number of people served by the grants. The final report must also detail how the money was used to achieve the requirements in subdivision 3, paragraph (b).

Sec. 47. Laws 2023, chapter 61, article 1, section 85, the effective date, is amended to read:

**EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2024, or upon federal approval, whichever is later, and paragraph (b) is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 48. **POSITIVE SUPPORTS COMPETENCY PROGRAM.**

(a) The commissioner shall establish a positive supports competency program with the money appropriated for this purpose.

(b) When establishing the positive supports competency program, the commissioner must use a community partner driven process to:

(1) define the core activities associated with effective intervention services at the positive support specialist, positive support analyst, and positive support professional level;



(2) create tools providers may use to track whether the provider's positive support specialists, positive support analysts, and positive support professionals are competently performing the core activities associated with effective intervention services;

(3) align existing training systems funded through the Department of Human Services and develop free online modules for competency-based training to prepare positive support specialists, positive support analysts, and positive support professionals to provide effective intervention services;

(4) assist providers interested in utilizing a competency-based training model to create a career pathway for the positive support analysts and positive support specialists within the provider's organizations by using experienced professionals;

(5) create written guidelines, stories, and examples for providers that will be placed on Department of Human Services websites promoting capacity building; and

(6) disseminate resources and guidance to providers interested in meeting competency-based qualifications for positive supports via preexisting regional networks of experts, including communities of practice, and develop new avenues for disseminating these resources and guidance, including through implementation of ECHO models.

Sec. 49. **ADVISORY TASK FORCE ON WAIVER REIMAGINE.**

Subdivision 1. **Membership; co-chairs.** (a) The Advisory Task Force on Waiver Reimagine consists of the following members:

(1) one member of the house of representatives, appointed by the speaker of the house;

(2) one member of the house of representatives, appointed by the leader of the house of representatives Democratic-Farmer-Labor caucus;

(3) one member of the senate, appointed by the senate majority leader;

(4) one member of the senate, appointed by the senate minority leader;

(5) four individuals currently receiving disability waiver services who are under the age of 65, appointed by the governor;

(6) one county employee who conducts long-term care consultation services assessments for persons under the age of 65, appointed by the Minnesota Association of County Social Services Administrators;

(7) one representative of the Department of Human Services with knowledge of the requirements for a provider to participate in disability waiver service programs and of the administration of benefits, appointed by the commissioner of human services;

(8) one employee of the Minnesota Council on Disability, appointed by the Minnesota Council on Disability;

(9) two representatives of disability advocacy organizations, appointed by the governor;

(10) two family members of individuals who are receiving disability waiver services, appointed by the governor;

(11) two providers of disability waiver services for persons who are under the age of 65, appointed by the governor;

(12) one employee from the Office of Ombudsman for Mental Health and Developmental Disabilities, appointed by the ombudsman;

(13) one employee from the Olmstead Implementation Office, appointed by the director of the office;

(14) the assistant commissioner of the Department of Human Services administration that oversees disability services; and

(15) a member of the Minnesota Disability Law Center, appointed by the executive director of Mid-Minnesota Legal Aid.

(b) Each appointing authority must make appointments by September 30, 2025. Appointments made by an agency or commissioner may also be made by a designee.

(c) In making task force appointments, the governor must ensure representation from greater Minnesota.

(d) The Office of Collaboration and Dispute Resolution must convene the task force.

(e) The task force members must elect co-chairs from the membership of the task force at the first task force meeting.

Subd. 2. **Meetings; administrative support.** (a) The first meeting of the task force must be convened no later than November 30, 2025. The task force must meet at least quarterly. Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

(b) The Department of Human Services shall provide meeting space and administrative and research support to the task force.

Subd. 3. **Duties.** (a) The task force must make findings and recommendations related to Waiver Reimagine in Minnesota, including but not limited to the following:

(1) consolidation of the existing four disability home and community-based waiver service programs into two waiver programs;

(2) budgets based on the needs of the individual that are not tied to location of services, including additional resources beyond the resources required to meet assessed needs that may be necessary for the individual to live in the least restrictive environment;

(3) criteria and processes for provider rate exceptions and individualized budget exceptions;

(4) appropriate assessments, including the MnCHOICES 2.0 assessment tool, in determining service needs and individualized budgets;

(5) covered services under each disability waiver program, including any proposed adjustments to the menu of services;

(6) service planning and authorization processes for disability waiver services;

(7) a plan of support, financial and otherwise, to live in the person's own home and in the most integrated setting as defined under Title 2 of the Americans with Disability Act (ADA) Integration Mandate and in Minnesota's Olmstead Plan;

(8) intended and unintended outcomes of Waiver Reimagine; and

(9) other items related to Waiver Reimagine as necessary.

(b) The task force must seek input from the public, counties, persons receiving disability waiver services, families of persons receiving disability waiver services, providers, state agencies, and advocacy groups.

(c) The task force must hold public meetings to gather information to fulfill the purpose of the task force. The meetings must be accessible by remote participants.

(d) The Department of Human Services shall provide relevant data and research to the task force to facilitate the task force's work.

Subd. 4. **Compensation; expenses.** Members of the task force may receive compensation and expense reimbursement as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. **Report.** (a) The task force shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over disability waiver services no later than January 15, 2027, that describes any concerns or recommendations related to Waiver Reimagine as identified by the task force.

(b) The report required under Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28, must be presented to the task force prior to December 15, 2026.

Subd. 6. **Expiration.** The task force expires upon submission of the task force's report, or December 31, 2027, whichever is earlier.

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

**Sec. 50. BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner must increase the consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, by 0.13 percent.

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

**Sec. 51. ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner must increase the consumer-directed community supports budget exception percentage identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, from 7.5 to 12.5.

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

Sec. 52. **REPEALER.**

(a) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 3, as amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day following final enactment.

(b) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 6, as amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day following final enactment.

ARTICLE 3  
HEALTH CARE

Section 1. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

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

(b) "Income" means the adjusted gross income of the natural or adoptive parents determined according to the previous year's federal tax form, except that taxable capital gains, to the extent the money has been used to purchase a home, shall not be counted as income.

(c) "Insurance" means health and accident insurance coverage or enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

**Subd. 7. Parental responsibility.** Parents with household adjusted gross income equal to or greater than 675 percent of the federal poverty guidelines are responsible for a portion of the cost of services, according to subdivision 8, when:

(1) insurance or other health care benefits pay some but not all of the cost of services; and

(2) no insurance or other health care benefits are available.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 3. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

**Subd. 8. Contribution amount.** (a) The natural or adoptive parents of a minor child, not including a child determined eligible for medical assistance without consideration of parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a child accessing home and community-based waiver services, must contribute to the cost of services used by making monthly payments on a sliding scale based on income, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to chapter 259A or through Title IV-E of the Social Security Act. The parental contribution is a partial or full payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal care services as defined in United States Code, title 26, section 213, needed by the child with a chronic illness or disability.

(b) For households with adjusted gross income equal to or greater than 675 percent of federal poverty guidelines, the commissioner shall compute the parental contribution by applying the following schedule of rates to the adjusted gross income of the natural or adoptive parents:

(1) if the adjusted gross income is equal to or greater than 675 percent of federal poverty guidelines and less than 975 percent of federal poverty guidelines, the commissioner shall determine the parental contribution using a sliding fee scale established by the commissioner that begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty guidelines and increases to 5.99 percent of adjusted gross income for households with adjusted gross income up to 975 percent of federal poverty guidelines; and

(2) if the adjusted gross income is equal to or greater than 975 percent of federal poverty guidelines, the parental contribution is 7.49 percent of adjusted gross income.

(c) If the child lives with the parent, the commissioner shall reduce the annual adjusted gross income by \$2,400 prior to calculating the parental contribution. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 9. **Household size; contribution adjustments.** (a) The household size used in determining the amount of contribution under subdivision 8 includes natural and adoptive parents and their dependents, including the child receiving services.

(b) The commissioner shall implement adjustments in the contribution amount due to annual changes in the federal poverty guidelines on the first day of July following publication of the changes.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 10. **Contribution explained in writing.** (a) The commissioner shall explain the contribution in writing to the parents at the time eligibility for services is determined. The parents shall make the contribution on a monthly basis starting with the first month in which the child receives services.

(b) Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse the excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted. All reimbursements must include a notice that the amount reimbursed may be taxable income if the parent paid for the parent's fees through an employer's health care flexible spending account under the Internal Revenue Code, section 125, and that the parent is responsible for paying the taxes owed on the amount reimbursed.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 11. **Annual review; written notice.** (a) The commissioner must review the monthly contribution amount at least once every 12 months, when there is a change in household size, and when there is a loss of or gain in income from one month to another in excess of ten percent.

(b) The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 12. **Parents who do not live with each other; contribution.** Parents of a minor child who do not live with each other shall each pay the contribution required under subdivision 8. The commissioner shall deduct an amount equal to the annual court-ordered child support payment actually paid on behalf of the child receiving services from the adjusted gross income of the parent making the payment prior to calculating the parental contribution under subdivision 8.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 13. **Parents with more than one child receiving services; contribution.** The commissioner shall not require parents who have more than one child receiving services to pay more than the amount for the child with the highest expenditures. The commissioner shall not require the parent to pay a contribution in excess of the cost of the services provided to the child, not counting payments made to school districts for education-related services.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 14. **Insurance coverage.** (a) The commissioner shall increase the contribution under subdivision 8 by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child.

(b) For purposes of this subdivision, "available" means insurance that is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 15. **Contribution reduction.** (a) The commissioner shall reduce the contribution under subdivision 8 by \$300 per fiscal year if, in the 12 months prior to July 1:

(1) the parent applied for insurance for the child;

(2) the insurer denied insurance;

(3) the parents submitted a complaint or appeal in writing to the insurer, submitted a complaint or appeal in writing to the commissioner of health or the commissioner of commerce, or litigated the complaint or appeal; and

(4) as a result of the dispute, the insurer reversed its decision and granted insurance.

(b) A parent who has requested a reduction in the contribution amount under this subdivision must submit proof in the form and manner prescribed by the commissioner or local agency, including but not limited to the insurer's denial of insurance, the written letter or complaint of the parents, court documents, and the written response of the insurer approving insurance. The determinations of the commissioner or local agency under this subdivision are not rules subject to chapter 14.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 16. **Civil actions.** If the parent fails to make appropriate reimbursement as required in subdivisions 7 and 8, the attorney general, at the request of the commissioner, may institute or direct the appropriate county attorney to institute civil action to recover the required reimbursement.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 17. **Order of payment.** If the parental contribution is for reimbursement for the cost of services to both the local agency and the medical assistance program, the local agency must be reimbursed for the agency's expenses first and the remainder must be deposited in the medical assistance account.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 18. **Determination; redetermination; notice.** The commissioner shall mail a determination order and written notice of parental fee to the parent at least annually, or more frequently as provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination order and notice must contain the following information:

(1) the amount the parent is required to contribute;

(2) the notice of the right to a redetermination and appeal; and

(3) the telephone number of the division at the Department of Human Services that is responsible for redeterminations.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 14. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 19. **Appeals.** (a) A parent may appeal the determination or redetermination of an obligation to make a contribution under this section according to section 256.045. The parent must make a request for a hearing in writing within 30 days of the date the commissioner mails the determination or redetermination order, or within 90 days of the written notice if the parent shows good cause why the request was not submitted within the 30-day time limit. The commissioner must provide the parent with a written notice that acknowledges receipt of the request and notifies the parent of the date of the hearing. While the appeal is pending, the parent has the rights regarding making payment that are provided in Minnesota Rules, part 9550.6235.

(b) If the commissioner's determination or redetermination is affirmed, the parent shall, within 90 calendar days after the date an order is issued under section 256.045, subdivision 5, pay the total amount due from the effective date of the notice of determination or redetermination that was appealed by the parent. If the commissioner's order

under this subdivision results in a decrease in the parental fee amount, the commissioner shall credit any payments made by the parent that result in an overpayment to the parent as provided in Minnesota Rules, part 9550.6235, subpart 3.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 15. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

Subd. 29. **State medical review team.** (a) To ensure the timely processing of determinations of disability by the commissioner's state medical review team under sections 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the commissioner shall review all medical evidence and seek information from providers, applicants, and enrollees to support the determination of disability where necessary. Disability shall be determined according to the rules of title XVI and title XIX of the Social Security Act and pertinent rules and policies of the Social Security Administration.

(b) Medical assistance providers must grant the state medical review team access to electronic health records held by the medical assistance providers, when available, to support efficient and accurate disability determinations.

(c) Medicaid providers shall accept electronically signed authorizations to release medical records provided by the state medical review team.

~~(b)~~ (d) Prior to a denial or withdrawal of a requested determination of disability due to insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary and appropriate to a determination of disability, and (2) assist applicants and enrollees to obtain the evidence, including, but not limited to, medical examinations and electronic medical records.

~~(c)~~ (e) Any appeal made under section 256.045, subdivision 3, of a disability determination made by the state medical review team must be decided according to the timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal must be immediately reviewed by the chief human services judge.

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

Sec. 16. Minnesota Statutes 2024, section 256B.14, subdivision 2, is amended to read:

Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. All medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules ~~do not apply to~~ must be consistent with the requirements of section 252.27 for parents of children with household adjusted gross income equal to or greater than 675 percent of the federal poverty guidelines whose eligibility for medical assistance was determined without deeming of the parents' resources and income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or ~~to parents of children accessing~~ access home and community-based waiver services. The county agency shall give the responsible relative notice of the amount of the payment or repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.



(b) The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

(c) In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 256B.766, is amended to read:

**256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

**Subdivision 1. Payment reductions for base care services effective July 1, 2009.** ~~(a)~~ Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation.

**Subd. 2. Classification of therapies as basic care services.** ~~Effective July 1, 2010,~~ The commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in ~~this paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

**Subd. 3. Payment reductions to managed care plans effective October 1, 2009.** ~~(b)~~ Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1 effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

**Subd. 4. Temporary payment reductions effective September 1, 2011.** ~~(c)~~ (a) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

~~(d)~~ (b) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

**Subd. 5. Payment increases effective September 1, 2014.** ~~(e)~~ (a) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent.

(b) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this ~~paragraph~~ subdivision.

**Subd. 6. Temporary payment reductions effective July 1, 2014.** ~~(f)~~ Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent.

**Subd. 7. Payment increases effective July 1, 2015.** ~~(a)~~ Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

~~(g)~~ ~~(b)~~ Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.

~~(c)~~ Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under ~~this~~ paragraph ~~(b)~~.

**Subd. 8. Exempt services.** ~~(h)~~ This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

**Subd. 9. Individually priced items.** ~~(i)~~ ~~(a)~~ Effective for services provided on or after July 1, 2015, the following categories of medical supplies and durable medical equipment shall be individually priced items: customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service.

~~(b)~~ This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, and items provided to dually eligible recipients when Medicare is the primary payer for the item.

~~(c)~~ The commissioner shall not apply any medical assistance rate reductions to durable medical equipment as a result of Medicare competitive bidding.

**Subd. 10. Rate increases effective July 1, 2015.** ~~(j)~~ ~~(a)~~ Effective for services provided on or after July 1, 2015, medical assistance payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased as follows:

(1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare competitive bid that took effect in January of 2009 shall be increased by 9.5 percent; and

(2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the medical assistance fee schedule, whether or not subject to the Medicare competitive bid that took effect in January of 2009, shall be increased by 2.94 percent, with this increase being applied after calculation of any increased payment rate under clause (1).

~~This~~ ~~(b)~~ Paragraph ~~(a)~~ does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, items provided to dually eligible recipients when Medicare is the primary payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

**Subd. 11. Rates for ventilators.** ~~(a)~~ (a) Effective for nonpressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or the Medicare fee schedule rate.

(b) Effective for pressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule rate.

(c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the extent that, the commissioner identifies that the state has received federal financial participation for ventilators in excess of the amount allowed effective January 1, 2018, under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state funds and maintain the full payment rate under this ~~paragraph~~ subdivision.

**Subd. 12. Rates subject to the upper payment limit.** ~~(a)~~ Payment rates for durable medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed in this ~~paragraph~~ subdivision.

**Subd. 13. Temporary rates for enteral nutrition and supplies.** ~~(a)~~ (a) For dates of service on or after July 1, 2023, through June 30, ~~2025~~ 2027, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate must be the payment rate in effect on June 30, 2023.

(b) This subdivision expires June 30, 2027.

**Subd. 14. Rates for enteral nutrition and supplies.** ~~(a)~~ For dates of service on or after July 1, ~~2025~~ 2027, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision and updated annually each January 1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner for the previous calendar year, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment must be the manufacturer's suggested retail price of that product or supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment must be the actual acquisition cost of that product or supply plus 20 percent.

ARTICLE 4  
BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

Subd. 2. **Program design and implementation.** Adult mental health initiatives shall be responsible for designing, planning, improving, and maintaining a mental health service delivery system for adults with serious and persistent mental illness that would:

- (1) provide an expanded array of services from which clients can choose services appropriate to their needs;
- (2) be based on purchasing strategies that improve access and coordinate services without cost shifting;
- (3) prioritize evidence-based services and implement services that are promising practices or theory-based practices so that the service can be evaluated according to subdivision 5a;
- (4) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and
- (5) utilize ~~existing categorical funding streams and reimbursement sources in combined and creative ways, except adult mental health initiative funding only after all other eligible funding sources have been applied.~~ Appropriations and all funds that are attributable to the operation of state-operated services under the control of the Direct Care and Treatment executive board are excluded unless appropriated specifically by the legislature for a purpose consistent with this section.

Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives, the commissioner shall facilitate integration of funds or other resources as needed and requested by each adult mental health initiative. These resources may include:

- (1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;
  - (2) other mental health special project funds;
  - (3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and
  - (4) regional treatment center resources, with consent from the Direct Care and Treatment executive board.
- ~~(b) The commissioner shall consider the following criteria in awarding grants for adult mental health initiatives:~~
- ~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~
  - ~~(2) the size of the target population to be served; and~~
  - ~~(3) geographical distribution.~~
- ~~(c)~~ (b) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

~~(d)~~ (c) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the adult mental health initiative.

~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules that are incompatible with the implementation of the adult mental health initiative.

~~(f)~~ (e) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the adult mental health initiative.

Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

Subd. 7. **Duties of adult mental health initiative board.** The adult mental health initiative board, or other entity which is approved to administer an adult mental health initiative, shall:

(1) administer the initiative in a manner that is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) assure that no one is denied services that they would otherwise be eligible for; and

(3) provide the commissioner of human services with timely and pertinent information through ~~the following methods:~~

~~(i) submission of mental health plans and plan amendments which are based on a format and timetable determined by the commissioner;~~

~~(ii) submission of social services expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the initiative's managing entity and the commissioner; and~~

~~(iii) submission of data and participation in an evaluation of the adult mental health initiatives, to be designed cooperatively by the commissioner and the initiatives. For services provided to American Indians in Tribal nations or urban Indian communities, oral reports using a system designed in partnership between the commissioner and the reporting community satisfy the requirements of this clause.~~

Sec. 4. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of age or older and under 21 years of age receiving continuous children's mental health targeted case management services as defined in section 245.2875, subdivision 8.

Sec. 5. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency, facility, or program that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance that is required to be licensed, certified, or registered by the commissioner of human services, health, or education; a ~~sober home~~ recovery residence as defined in section 254B.01, subdivision 11; peer recovery support services provided by a recovery community organization as defined in section 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance.

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

Sec. 6. Minnesota Statutes 2024, section 245G.01, subdivision 13b, is amended to read:

Subd. 13b. **Guest speaker.** "Guest speaker" means an individual who is not an alcohol and drug counselor qualified according to section 245G.11, subdivision 5; is not qualified according to the commissioner's list of professionals under section 245G.07, subdivision 3, clause (1); and who works under the direct observation of an alcohol and drug counselor to present to clients on topics in which the guest speaker has expertise and that the license holder has determined to be beneficial to a client's recovery. Tribally licensed programs have autonomy to identify the qualifications of their guest speakers.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one setting or in a setting with the client and the client's family and other natural supports.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section 245G.07, subdivision 1a, clause (2).

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means the services described in section 245G.07, subdivision 1a.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20h. **Recovery support services.** "Recovery support services" means the services described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services described in section 245G.07, subdivision 1b.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2024, section 245G.02, subdivision 2, is amended to read:

Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral, diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7) subdivision 1a, clause (2);~~ and 245G.17.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

Subdivision 1. **Treatment service.** (a) A licensed ~~residential~~ treatment program must offer the treatment services in ~~clauses (1) to (5) subdivisions 1a and 1b and may offer the treatment services in subdivision 2~~ to each client, unless clinically inappropriate and the justifying clinical rationale is documented. ~~A nonresidential~~ The treatment program must ~~offer all treatment services in clauses (1) to (5) and~~ document in the individual treatment plan the specific services for which a client has an assessed need and the plan to provide the services.

~~(1) individual and group counseling to help the client identify and address needs related to substance use and develop strategies to avoid harmful substance use after discharge and to help the client obtain the services necessary to establish a lifestyle free of the harmful effects of substance use disorder;~~

~~(2) client education strategies to avoid inappropriate substance use and health problems related to substance use and the necessary lifestyle changes to regain and maintain health. Client education must include information on tuberculosis education on a form approved by the commissioner, the human immunodeficiency virus according to section 245A.19, other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;~~

~~(3) a service to help the client integrate gains made during treatment into daily living and to reduce the client's reliance on a staff member for support;~~

~~(4) a service to address issues related to co-occurring disorders, including client education on symptoms of mental illness, the possibility of comorbidity, and the need for continued medication compliance while recovering from substance use disorder. A group must address co-occurring disorders, as needed. When treatment for mental health problems is indicated, the treatment must be integrated into the client's individual treatment plan; and~~

~~(5) treatment coordination provided one to one by an individual who meets the staff qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

~~(i) assistance in coordination with significant others to help in the treatment planning process whenever possible;~~

~~(ii) assistance in coordination with and follow up for medical services as identified in the treatment plan;~~

~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's medical provider, comprehensive assessment, or treatment plan;~~

~~(iv) facilitation of referrals to mental health services as identified by a client's comprehensive assessment or treatment plan;~~

~~(v) assistance with referrals to economic assistance, social services, housing resources, and prenatal care according to the client's needs;~~

~~(vi) life skills advocacy and support accessing treatment follow-up, disease management, and education services, including referral and linkages to long-term services and supports as needed; and~~

~~(vii) documentation of the provision of treatment coordination services in the client's file.~~

(b) A treatment service provided to a client must be provided according to the individual treatment plan and must consider cultural differences and special needs of a client.

(c) A supportive service alone does not constitute a treatment service. Supportive services include:

(1) milieu management or supervising or monitoring clients without also providing a treatment service identified in subdivision 1a, 1b, or 2a;

(2) transporting clients;

(3) waiting with clients for appointments at social service agencies, court hearings, and similar activities; and

(4) collecting urinalysis samples.

(d) A treatment service provided in a group setting must be provided in a cohesive manner and setting that allows every client receiving the service to interact and receive the same service at the same time.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 14. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

Subdivision 1. **Treatment service.** (a) A licensed residential treatment program must offer the treatment services in clauses (1) to (5) to each client, unless clinically inappropriate and the justifying clinical rationale is documented. A nonresidential treatment program must offer all treatment services in clauses (1) to (5) and document in the individual treatment plan the specific services for which a client has an assessed need and the plan to provide the services:

(1) individual and group counseling to help the client identify and address needs related to substance use and develop strategies to avoid harmful substance use after discharge and to help the client obtain the services necessary to establish a lifestyle free of the harmful effects of substance use disorder;

(2) client education strategies to avoid inappropriate substance use and health problems related to substance use and the necessary lifestyle changes to regain and maintain health. Client education must include information on tuberculosis education on a form approved by the commissioner, the human immunodeficiency virus according to section 245A.19, other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;

(3) a service to help the client integrate gains made during treatment into daily living and to reduce the client's reliance on a staff member for support;



(4) a service to address issues related to co-occurring disorders, including client education on symptoms of mental illness, the possibility of comorbidity, and the need for continued medication compliance while recovering from substance use disorder. A group must address co-occurring disorders, as needed. When treatment for mental health problems is indicated, the treatment must be integrated into the client's individual treatment plan; and

(5) treatment coordination provided one-to-one by an individual who meets the staff qualifications in section 245G.11, subdivision 7. Treatment coordination services include:

- (i) assistance in coordination with significant others to help in the treatment planning process whenever possible;
- (ii) assistance in coordination with and follow up for medical services as identified in the treatment plan;
- (iii) facilitation of referrals to substance use disorder services as indicated by a client's medical provider, comprehensive assessment, or treatment plan;
- (iv) facilitation of referrals to mental health services as identified by a client's comprehensive assessment or treatment plan;
- (v) ~~assistance with~~ referrals to and assistance with navigating economic assistance, Minnesota health care programs under chapters 256B and 256L, social services, housing resources, and prenatal care according to the client's needs;
- (vi) life skills advocacy and support accessing treatment follow-up, disease management, and education services, including referral and linkages to long-term services and supports as needed; and
- (vii) documentation of the provision of treatment coordination services in the client's file.

(b) A treatment service provided to a client must be provided according to the individual treatment plan and must consider cultural differences and special needs of a client.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later.

Sec. 15. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision to read:

Subd. 1a. **Psychosocial treatment service.** Psychosocial treatment services must be provided according to the hours identified in section 254B.19 for the ASAM level of care provided to the client. A license holder must provide the following psychosocial treatment services as a part of the client's individual treatment:

(1) counseling services that provide a client with professional assistance in managing substance use disorder and co-occurring conditions, either individually or in a group setting. Counseling must:

- (i) use evidence-based techniques to help a client modify behavior, overcome obstacles, and achieve and sustain recovery through techniques such as active listening, guidance, discussion, feedback, and clarification;
- (ii) help the client to identify and address needs related to substance use, develop strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects of substance use disorder; and
- (iii) work to improve well-being and mental health, resolve or mitigate symptomatic behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and social skills, while addressing client-centered psychological and emotional needs; and

(2) psychoeducation services to provide a client with information about substance use and co-occurring conditions, either individually or in a group setting. Psychoeducation includes structured presentations, interactive discussions, and practical exercises to help clients understand and manage their conditions effectively. Topics include but are not limited to:

(i) the causes of substance use disorder and co-occurring disorders;

(ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;

(iii) the importance of maintaining mental health, including understanding symptoms of mental illness;

(iv) medications for addiction and psychiatric disorders and the importance of medication adherence;

(v) the importance of maintaining physical health, health-related risk factors associated with substance use disorder, and specific health education on tuberculosis, HIV, other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and

(vi) harm-reduction strategies.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision to read:

**Subd. 1b. Treatment coordination.** (a) Treatment coordination must be provided to a single client by an individual who meets the staff qualifications in section 245G.11, subdivision 7. Treatment coordination services include:

(1) coordinating directly with others involved in the client's treatment and recovery, including the referral source, family or natural supports, social services agencies, and external care providers;

(2) providing clients with training and facilitating connections to community resources that support recovery;

(3) assisting clients in obtaining necessary resources and services such as financial assistance, housing, food, clothing, medical care, education, harm reduction services, vocational support, and recreational services that promote recovery;

(4) helping clients connect and engage with self-help support groups and expand social support networks with family, friends, and organizations; and

(5) assisting clients in transitioning between levels of care, including providing direct connections to ensure continuity of care.

(b) Treatment coordination does not include coordinating services or communicating with staff members within the licensed program.

(c) Treatment coordination may be provided in a setting with the individual client and others involved in the client's treatment and recovery.

Sec. 17. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision to read:

Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary services in addition to the hours of psychosocial treatment services identified in section 254B.19 for the ASAM level of care provided to the client.

(b) A license holder may provide the following ancillary treatment services as a part of the client's individual treatment:

(1) recovery support services provided individually or in a group setting, that include:

(i) supporting clients in restoring daily living skills, such as health and health care navigation and self-care to enhance personal well-being;

(ii) providing resources and assistance to help clients restore life skills, including effective parenting, financial management, pro-social behavior, education, employment, and nutrition;

(iii) assisting clients in restoring daily functioning and routines affected by substance use and supporting them in developing skills for successful community integration; and

(iv) helping clients respond to or avoid triggers that threaten their community stability, assisting the client in identifying potential crises and developing a plan to address them, and providing support to restore the client's stability and functioning; and

(2) peer recovery support services provided according to sections 254B.05, subdivision 5, and 254B.052.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 18. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

Subd. 3. ~~Counselors~~ **Treatment service providers.** (a) All treatment services, ~~except peer recovery support services and treatment coordination,~~ must be provided by an alcohol and drug counselor qualified according to section 245G.11, subdivision 5, ~~unless the individual providing the service is specifically qualified according to the accepted credential required to provide the service. The commissioner shall maintain a current list of professionals qualified to provide treatment services.~~

(b) Psychosocial treatment services must be provided by an alcohol and drug counselor qualified according to section 245G.11, subdivision 5, unless the individual providing the service is specifically qualified according to the accepted credential required to provide the service. The commissioner shall maintain a current list of professionals qualified to provide psychosocial treatment services.

(c) Treatment coordination must be provided by a treatment coordinator qualified according to section 245G.11, subdivision 7.

(d) Recovery support services must be provided by a behavioral health practitioner qualified according to section 245G.11, subdivision 12.

(e) Peer recovery support services must be provided by a recovery peer qualified according to section 245I.04, subdivision 18.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

Subd. 4. **Location of service provision.** (a) The license holder must provide all treatment services a client receives at one of the license holder's substance use disorder treatment licensed locations or at a location allowed under paragraphs (b) to (f). If the services are provided at the locations in paragraphs (b) to (d), the license holder must document in the client record the location services were provided.

(b) The license holder may provide nonresidential individual treatment services at a client's home or place of residence.

(c) If the license holder provides treatment services by telehealth, the services must be provided according to this paragraph:

(1) the license holder must maintain a licensed physical location in Minnesota where the license holder must offer all treatment services in subdivision 4, ~~paragraph (a), clauses (1) to (4), 1a~~ physically in-person to each client;

(2) the license holder must meet all requirements for the provision of telehealth in sections 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client receiving services by telehealth, regardless of payment type or whether the client is a medical assistance enrollee;

(3) the license holder may provide treatment services by telehealth to clients individually;

(4) the license holder may provide treatment services by telehealth to a group of clients that are each in a separate physical location;

(5) the license holder must not provide treatment services remotely by telehealth to a group of clients meeting together in person, unless permitted under clause (7);

(6) clients and staff may join an in-person group by telehealth if a staff member qualified to provide the treatment service is physically present with the group of clients meeting together in person; and

(7) the qualified professional providing a residential group treatment service by telehealth must be physically present on-site at the licensed residential location while the service is being provided. If weather conditions or short-term illness prohibit a qualified professional from traveling to the residential program and another qualified professional is not available to provide the service, a qualified professional may provide a residential group treatment service by telehealth from a location away from the licensed residential location. In such circumstances, the license holder must ensure that a qualified professional does not provide a residential group treatment service by telehealth from a location away from the licensed residential location for more than one day at a time, must ensure that a staff person who qualifies as a paraprofessional is physically present with the group of clients, and must document the reason for providing the remote telehealth service in the records of clients receiving the service. The license holder must document the dates that residential group treatment services were provided by telehealth from a location away from the licensed residential location in a central log and must provide the log to the commissioner upon request.

(d) The license holder may provide the ~~additional ancillary~~ treatment services under subdivision 2, ~~clauses (2) to (6) and (8), 2a~~ away from the licensed location at a suitable location appropriate to the treatment service.

(e) Upon written approval from the commissioner for each satellite location, the license holder may provide nonresidential treatment services at satellite locations that are in a school, jail, or nursing home. A satellite location may only provide services to students of the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to document compliance with building codes, fire and safety codes, health rules, and zoning ordinances.

(f) The commissioner may approve other suitable locations as satellite locations for nonresidential treatment services. The commissioner may require satellite locations under this paragraph to meet all applicable licensing requirements. The license holder may not have more than two satellite locations per license under this paragraph.

(g) The license holder must provide the commissioner access to all files, documentation, staff persons, and any other information the commissioner requires at the main licensed location for all clients served at any location under paragraphs (b) to (f).

(h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a program abuse prevention plan is not required for satellite or other locations under paragraphs (b) to (e). An individual abuse prevention plan is still required for any client that is a vulnerable adult as defined in section 626.5572, subdivision 21.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

Subd. 6. **Paraprofessionals.** A paraprofessional who does not meet the qualifications of the behavioral health practitioner under section 245G.11, subdivision 12, must have knowledge of client rights, according to section 148F.165, and staff member responsibilities. A paraprofessional may not make decisions to admit, transfer, or discharge a client but may perform tasks related to intake and orientation. A paraprofessional may be the responsible for the delivery of treatment service staff member according to section 245G.10, subdivision 3. A paraprofessional must not provide a treatment service unless qualified to do so according to section 245G.07, subdivision 3.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 21. Minnesota Statutes 2024, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

- (1) is skilled in the process of identifying and assessing a wide range of client needs;
- (2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;
- (3) has successfully completed 30 hours of classroom instruction on treatment coordination for an individual with substance use disorder;
- (4) has ~~either:~~ a high school diploma or equivalent; and
  - ~~(i) a bachelor's degree in one of the behavioral sciences or related fields; or~~
  - ~~(ii) current certification as an alcohol and drug counselor, level I, by the Upper Midwest Indian Council on Addictive Disorders; and~~
- (5) has at least ~~2,000~~ 1,000 hours of supervised experience working with individuals with substance use disorder.

(b) A treatment coordinator must receive at least one hour of supervision regarding individual service delivery from an alcohol and drug counselor, or a mental health professional who has substance use treatment and assessments within the scope of their practice, on a monthly basis.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision to read:

**Subd. 12. Behavioral health practitioners.** (a) A behavioral health practitioner must meet the qualifications in section 245I.04, subdivision 4.

(b) A behavioral health practitioner working within a substance use disorder treatment program licensed under this chapter has the following scope of practice:

(1) a behavioral health practitioner may provide clients with recovery support services, as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

(2) a behavioral health practitioner must not provide treatment supervision to other staff persons.

(c) A behavioral health practitioner working within a substance use disorder treatment program licensed under this chapter must receive at least one hour of supervision per month on individual service delivery from an alcohol and drug counselor or a mental health professional who has substance use treatment and assessments within the scope of their practice.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 23. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

**Subd. 11. Waiting list.** An opioid treatment program must have a waiting list system. If the person seeking admission cannot be admitted within 14 days of the date of application, each person seeking admission must be placed on the waiting list, unless the person seeking admission is assessed by the program and found ineligible for admission according to this chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e), and title 45, parts 160 to 164. The waiting list must assign a unique client identifier for each person seeking treatment while awaiting admission. A person seeking admission on a waiting list who receives no services under section 245G.07, subdivision 4 1a or 1b, must not be considered a client as defined in section 245G.01, subdivision 9.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 24. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

**Subd. 15. Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 4, ~~paragraph (a) 1a~~, clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2024, section 254A.19, subdivision 4, is amended to read:

Subd. 4. **Civil commitments.** For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section 253B.09 or 253B.095 in order for ~~a county~~ the individual to ~~access~~ be eligible for the behavioral health fund under section 254B.04. ~~The county commissioner~~ must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04.

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

Sec. 26. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

Subd. 10. **Skilled Psychosocial treatment services.** ~~"Skilled Psychosocial treatment services" includes the treatment services described in section 245G.07, subdivisions 1, paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6). Skilled~~ subdivision 1a. Psychosocial treatment services must be provided by qualified professionals as identified in section 245G.07, subdivision 3, paragraph (b).

**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 27. Minnesota Statutes 2024, section 254B.01, subdivision 11, is amended to read:

Subd. 11. **Sober home Recovery residence.** ~~A sober home~~ recovery residence is a cooperative living residence, a room and board residence, an apartment, or any other living accommodation that:

- (1) provides temporary housing to persons with substance use disorders;
- (2) stipulates that residents must abstain from using alcohol or other illicit drugs or substances not prescribed by a physician;
- (3) charges a fee for living there;
- (4) does not provide counseling or treatment services to residents;
- (5) promotes sustained recovery from substance use disorders; and
- (6) follows the sober living guidelines published by the federal Substance Abuse and Mental Health Services Administration.

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

Sec. 28. Minnesota Statutes 2024, section 254B.02, subdivision 5, is amended to read:

Subd. 5. **Local agency Tribal allocation.** The commissioner may make payments to ~~local agencies~~ Tribal Nation servicing agencies from money allocated under this section to support individuals with substance use disorders and determine eligibility for behavioral health fund payments. The payment must not be less than 133 percent of the ~~local agency~~ Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 29. Minnesota Statutes 2024, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. ~~**Local agency duties**~~ **Financial eligibility determinations.** (a) ~~Every local agency~~ The commissioner of human services or Tribal Nation servicing agencies must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. ~~Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05.~~ The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

(c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

~~(d) Beginning July 1, 2022, local agencies shall not make placement location determinations.~~

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

Sec. 30. Minnesota Statutes 2024, section 254B.03, subdivision 3, is amended to read:

Subd. 3. ~~**Local agencies**~~ **Counties to pay state for county share.** ~~Local agencies~~ Counties shall pay the state for the county share of the services authorized by the ~~local agency~~ commissioner, except when the payment is made according to section 254B.09, subdivision 8.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 31. Minnesota Statutes 2024, section 254B.03, subdivision 4, is amended to read:

Subd. 4. **Division of costs.** (a) Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out of local money, pay the state for ~~22.95~~ 50 percent of the cost of substance use disorder services, except for ~~those individuals living in carceral settings.~~ The county shall pay the state 22.95 percent of the cost of substance use disorder services for individuals in carceral settings.



Services provided to persons enrolled in medical assistance under chapter 256B and room and board services under section 254B.05, subdivision 5, paragraph (b), are exempted from county contributions. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section.

(b) ~~22.95~~ 50 percent of any state collections from private or third-party pay, less 15 percent for the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 32. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the ~~local agency~~ commissioner to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), any person enrolled in medical assistance or MinnesotaCare is eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (9).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 142G;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to ~~9505.0150~~ 9505.140;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to ~~9500.1318~~ 9500.1272; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by ~~a local agency~~ the commissioner under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

(i) Persons enrolled in MinnesotaCare are eligible for room and board services when provided through intensive residential treatment services and residential crisis services under section 256B.0622.

(j) A person is eligible for one 60-consecutive-calendar-day period per year. A person may submit a request for additional eligibility to the commissioner. A person denied additional eligibility under this paragraph may request a state agency hearing under section 256.045.

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

Sec. 33. Minnesota Statutes 2024, section 254B.04, subdivision 5, is amended to read:

Subd. 5. **Local agency Commissioner responsibility to provide administrative services.** The ~~local agency commissioner of human services~~ may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.

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

Sec. 34. Minnesota Statutes 2024, section 254B.04, subdivision 6, is amended to read:

Subd. 6. **Local agency Commissioner to determine client financial eligibility.** (a) The ~~local agency commissioner~~ shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of request. The ~~local agency commissioner~~ shall pay for eligible clients according to chapter 256G. Client eligibility must be determined using only forms prescribed by the commissioner ~~unless the local agency has a reasonable basis for believing that the information submitted on a form is false.~~ To determine a client's eligibility, the ~~local agency commissioner~~ must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.

(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.

(c) The ~~local agency commissioner~~ must determine the client's household size as follows:

(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(i) the client;

- (ii) the client's birth or adoptive parents; and
- (iii) the client's siblings who are minors; and
- (2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:
  - (i) the client;
  - (ii) the client's spouse;
  - (iii) the client's minor children; and
  - (iv) the client's spouse's minor children.

For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

(d) The ~~local agency~~ commissioner must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

~~(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.~~

~~(f)~~ (e) The ~~local agency~~ commissioner shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

~~(g)~~ (f) The ~~local agency~~ commissioner must ~~redetermine~~ determine a client's eligibility for the behavioral health fund ~~every 12 months~~ for a 60-consecutive-calendar-day period per calendar year.

~~(h)~~ (g) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph ~~(f)~~ (e). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

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

Sec. 35. Minnesota Statutes 2024, section 254B.04, subdivision 6a, is amended to read:

Subd. 6a. **Span of eligibility.** The ~~local agency~~ commissioner must enter the financial eligibility span within five business days of a request. If the comprehensive assessment is completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date services were initiated. If the comprehensive assessment is not completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date the comprehensive assessment was completed.

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

Sec. 36. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment provided according to section 254A.19, subdivision 3, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6), subdivisions 1, 1a, and 1b.

(c) A county is an eligible vendor for a comprehensive assessment when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 254A.19, subdivision 3. A county is an eligible vendor of ~~care treatment~~ coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, ~~paragraph (a), clause (5)~~ 1b. A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8, and according to section 254B.052.

(d) A recovery community organization that meets the requirements of clauses (1) to (14), complies with the training requirements in section 254B.052, subdivision 4, and meets certification or accreditation requirements of the Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery organization identified by the commissioner is an eligible vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification or accreditation on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program development, peer recovery support services provided, and advocacy efforts for the purpose of supporting the recovery community organization's mission;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) have a mission statement and conduct corresponding activities indicating that the organization's primary purpose is to support recovery from substance use disorder;

(4) demonstrate ongoing community engagement with the identified primary region and population served by the organization, including individuals in recovery and their families, friends, and recovery allies;

(5) be accountable to the recovery community through documented priority-setting and participatory decision-making processes that promote the engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building, and harm-reduction activities, and provide recovery public education and advocacy;

(7) have written policies that allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) maintain organizational practices to meet the needs of Black, Indigenous, and people of color communities, LGBTQ+ communities, and other underrepresented or marginalized communities. Organizational practices may include board and staff training, service offerings, advocacy efforts, and culturally informed outreach and services;

(9) use recovery-friendly language in all media and written materials that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma;

(10) establish and maintain a publicly available recovery community organization code of ethics and grievance policy and procedures;

(11) not classify or treat any recovery peer hired on or after July 1, 2024, as an independent contractor;

(12) not classify or treat any recovery peer as an independent contractor on or after January 1, 2025;

(13) provide an orientation for recovery peers that includes an overview of the consumer advocacy services provided by the Ombudsman for Mental Health and Developmental Disabilities and other relevant advocacy services; and

(14) provide notice to peer recovery support services participants that includes the following statement: "If you have a complaint about the provider or the person providing your peer recovery support services, you may contact the Minnesota Alliance of Recovery Community Organizations. You may also contact the Office of Ombudsman for Mental Health and Developmental Disabilities. "The statement must also include:

(i) the telephone number, website address, email address, and mailing address of the Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(ii) the recovery community organization's name, address, email, telephone number, and name or title of the person at the recovery community organization to whom problems or complaints may be directed; and

(iii) a statement that the recovery community organization will not retaliate against a peer recovery support services participant because of a complaint.

(e) A recovery community organization approved by the commissioner before June 30, 2023, must have begun the application process as required by an approved certifying or accrediting entity and have begun the process to meet the requirements under paragraph (d) by September 1, 2024, in order to be considered as an eligible vendor of peer recovery support services.

(f) A recovery community organization that is aggrieved by an accreditation, certification, or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (14), for reconsideration as an eligible vendor. If the human services judge determines that the recovery community organization meets the requirements under paragraph (d), the recovery community organization is an eligible vendor of peer recovery support services.

(g) All recovery community organizations must be certified or accredited by an entity listed in paragraph (d) by June 30, 2025.

(h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

(i) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 254A.19, subdivision 3, and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

(j) Any complaints about a recovery community organization or peer recovery support services may be made to and reviewed or investigated by the ombudsperson for behavioral health and developmental disabilities under sections 245.91 and 245.94.

Sec. 37. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;

(13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and

(15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

(c) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.

(d) Programs providing children's residential services under section 245.4882, except services for individuals who have a placement under chapter 260C or 260D, are eligible vendors of room and board.

(e) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

(f) A vendor that is not licensed as a residential treatment program must have a policy to address staffing coverage when a client may unexpectedly need to be present at the room and board site.

(g) No new vendors for room and board services may be approved after June 30, 2025, to receive payments from the behavioral health fund, under the provisions of section 254B.04, subdivision 2a. Room and board vendors that were approved and operating prior to July 1, 2025, may continue to receive payments from the behavioral health fund for services provided until June 30, 2027. Room and board vendors providing services in accordance with section 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room and board services provided on or after July 1, 2027.

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

Sec. 38. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) ~~Subject to the requirements of subdivision 6,~~ the commissioner shall establish rates for the following substance use disorder treatment services ~~and service enhancements~~ funded under this chapter:

~~(b) Eligible substance use disorder treatment services include:~~

(1) those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5). ~~The commissioner shall use the base payment rate of \$79.84 per day for services provided under this item;~~

(vi) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled treatment services each week. ~~The commissioner shall use the base payment rate of \$166.13 per day for services provided under this item;~~

(vii) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6). ~~The commissioner shall use the specified base payment rate of \$224.06 per day for services provided under this item;~~ and

(viii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7). ~~The commissioner shall use the specified base payment rate of \$224.06 per day for services provided under this item;~~

(2) comprehensive assessments provided according to section 254A.19, subdivision 3;

(3) treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) withdrawal management services provided according to chapter 245F;

(6) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to 144.56;

(7) substance use disorder treatment services with medications for opioid use disorder provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or under an applicable Tribal license;

(8) medium-intensity residential treatment services that provide 15 hours of skilled treatment services each week and are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license;

(9) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable Tribal license;

(10) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(11) room and board facilities that meet the requirements of subdivision 1a.

~~(e) (b) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) (a) and one of the following additional requirements: the requirements of one clause in this paragraph.~~

(1) Programs that serve parents with their children are eligible for an enhanced payment rate if the program:



(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502~~2~~.

In order to be eligible for a higher rate under this clause, a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

(2) Culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a~~2~~, are eligible for an enhanced payment rate.

(3) Disability responsive programs as defined in section 254B.01, subdivision 4b~~2~~, are eligible for an enhanced payment rate.

(4) Programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to one hour per client per week are eligible for an enhanced payment rate if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file;~~or~~.

(5) Programs that offer services to individuals with co-occurring mental health and substance use disorder problems are eligible for an enhanced payment rate if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) the program employs a mental health professional as defined in section 245I.04, subdivision 2;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.~~

~~(e)~~ Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in ~~paragraph (e), clause (5)~~, items (i) to (iv).

~~(f)~~ (c) Substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

~~(g)~~ (d) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

~~(h)~~ (e) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

~~(i)~~ (f) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

~~(j)~~ (g) A license holder that is unable to provide all residential treatment services because a client missed services remains eligible to bill for the client's intensity level of services under this paragraph if the license holder can document the reason the client missed services and the interventions done to address the client's absence.

~~(k)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized holidays.

~~(l)~~ (i) Eligible vendors of peer recovery support services must:

(1) submit to a review by the commissioner of up to ten percent of all medical assistance and behavioral health fund claims to determine the medical necessity of peer recovery support services for entities billing for peer recovery support services individually and not receiving a daily rate; and

(2) limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.

~~(m)~~ (j) Peer recovery support services not provided in accordance with section 254B.052 are subject to monetary recovery under section 256B.064 as money improperly paid.

Sec. 39. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision to read:

Subd. 6. **Rate adjustments.** (a) Effective for services provided on or after January 1, 2026, the commissioner must implement the following base payment rates for substance use disorder treatment services under subdivision 5, paragraph (a):

(1) for low-intensity residential services, 100 percent of the modeled rate included in the final report required by Laws 2021, First Special Session chapter 7, article 17, section 18;

(2) for high-intensity residential services, the rates in effect on December 31, 2025; and

(3) for all other services not included in clause (1) or (2), 72 percent of the modeled rate included in the final report required by Laws 2021, First Special Session chapter 7, article 17, section 18.

(b) Effective January 1, 2027, and annually thereafter, the commissioner of human services must adjust the payment rates under paragraph (a) according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

Sec. 40. Minnesota Statutes 2024, section 254B.052, is amended by adding a subdivision to read:

**Subd. 4. Recovery community organization vendor compliance training.** (a) Effective January 1, 2027, in order to enroll as an eligible vendor of peer recovery support services, a recovery community organization must require all owners active in day-to-day management and operations of the organization and managerial and supervisory employees to complete compliance training before applying for enrollment and every three years thereafter. Mandatory compliance training format and content must be determined by the commissioner, and must include the following topics:

(1) state and federal program billing, documentation, and service delivery requirements;

(2) eligible vendor enrollment requirements;

(3) provider program integrity, including fraud prevention, fraud detection, and penalties;

(4) fair labor standards;

(5) workplace safety requirements; and

(6) recent changes in service requirements.

(b) Any new owners active in day-to-day management and operations of the organization and managerial and supervisory employees must complete the training under this subdivision in order to be employed by or conduct management and operations activities for the organization. If the individual moves to another recovery community organization and serves in a similar ownership or employment capacity, the individual is not required to repeat the training required under this subdivision if the individual documents completion of the training within the past three years.

(c) By July 1, 2026, the commissioner must make the training required under this subdivision available in person, online, or by electronic remote connection.

(d) A recovery community organization enrolled as an eligible vendor before January 1, 2027, must document completion of the compliance training as required under this subdivision by January 1, 2028, and every three years thereafter.

Sec. 41. Minnesota Statutes 2024, section 254B.06, subdivision 2, is amended to read:

**Subd. 2. Allocation of collections.** The commissioner shall allocate ~~77.05~~ 50 percent of patient payments and third-party payments to the special revenue account and ~~22.95~~ 50 percent to the county financially responsible for the patient.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 42. Minnesota Statutes 2024, section 254B.09, subdivision 2, is amended to read:

Subd. 2. **American Indian agreements.** The commissioner may enter into agreements with federally recognized Tribal units to pay for substance use disorder treatment services provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how the governing body of the Tribal unit fulfills ~~local agency~~ the Tribal unit's responsibilities regarding the form and manner of invoicing.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 43. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements:

(1) For ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of ~~skilled~~ psychosocial treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service hours allowable per week.

(3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of ~~skilled~~ psychosocial treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of ~~skilled~~ psychosocial treatment services. Services must be licensed according to section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide at least 5 hours of ~~skilled~~ psychosocial treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

(b) Notwithstanding the minimum daily ~~skilled~~ psychosocial treatment service requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors must provide each client at least 30 hours of treatment services per week for the period between January 1, 2024, through June 30, 2024.

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

Sec. 44. **[254B.21] DEFINITIONS.**

**Subdivision 1. Scope.** For the purposes of sections 254B.21 to 254B.216, the following terms have the meanings given.

**Subd. 2. Applicant.** "Applicant" means any individual, organization, or entity who has applied for certification of a recovery residence.

**Subd. 3. Certified recovery residence.** "Certified recovery residence" means a recovery residence that has completed the application process and been approved for certification by the commissioner.

**Subd. 4. Co-occurring disorders.** "Co-occurring disorders" means a diagnosis of both a substance use disorder and a mental health disorder.

**Subd. 5. National Alliance for Recovery Residences or NARR.** "National Alliance for Recovery Residences" or "NARR" is a nonprofit organization with a nationally recognized standard for the certification of recovery residences that works with and supports state-affiliated organizations.

**Subd. 6. Operator.** "Operator" means the lawful owner or lessee of a recovery residence or a person employed and designated by the owner or lessee of the recovery residence to have primary responsibility for oversight of the recovery residence, including but not limited to hiring and termination of recovery residence staff, recovery residence maintenance, and responding to complaints being investigated by the commissioner.

**Subd. 7. Recovery residence.** "Recovery residence" means a type of community residence that provides a safe, healthy, family-like, substance-free living environment that supports individuals in recovery from substance use disorder.

**Subd. 8. Recovery residence registry.** "Recovery residence registry" means the list of recovery-certified residences maintained by the commissioner.

**Subd. 9. Resident.** "Resident" means an individual who resides in a recovery residence.

**Subd. 10. Staff.** "Staff" means employees, contractors, or volunteers who provide monitoring, assistance, or other services for the use and benefit of a recovery residence and the residence's residents.

Subd. 11. **Substance free.** "Substance free" means being free from the use of alcohol, illicit drugs, and the illicit use of prescribed drugs. This term does not prohibit medications prescribed, dispensed, or administered by a licensed health care professional, such as pharmacotherapies specifically approved by the United States Food and Drug Administration (FDA) for treatment of a substance use disorder as well as other medications approved by the FDA for the treatment of co-occurring disorders when taken as directed.

Subd. 12. **Substance use disorder.** "Substance use disorder" means a pattern of use of alcohol or other drugs leading to impairment that meets the applicable diagnostic criteria in the latest edition of the Diagnostic and Statistical Manual of Disorders of the American Psychiatric Association.

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

Sec. 45. **[254B.211] RESIDENCE REQUIREMENTS AND RESIDENT RIGHTS.**

Subdivision 1. **Applicability.** This section is applicable to all recovery residences regardless of certification status.

Subd. 2. **Residence requirements.** All recovery residences must:

(1) comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation;

(2) have safety policies and procedures that, at a minimum, address:

(i) safety inspections requiring periodic verification of smoke detectors, carbon monoxide detectors, fire extinguishers, and emergency evacuation drills;

(ii) exposure to bodily fluids and contagious disease; and

(iii) emergency procedures posted in conspicuous locations in the residence;

(3) maintain a supply of an opiate antagonist in the home, post information on proper use, and train staff in opiate antagonist use;

(4) have written policies regarding access to all prescribed medications and storage of medications when requested by the resident;

(5) have written policies regarding residency termination, including how length of stay is determined and procedures in case of evictions;

(6) return all property and medications to a person discharged from the home and retain the items for a minimum of 60 days if the person did not collect the items upon discharge. The owner must make an effort to contact persons listed as emergency contacts for the discharged person so that the items are returned;

(7) ensure separation of money of persons served by the program from money of the program or program staff. The program and staff must not:

(i) borrow money from a person served by the program;

(ii) purchase personal items from a person served by the program;

- (iii) sell merchandise or personal services to a person served by the program;
- (iv) require a person served by the program to purchase items for which the program is eligible for reimbursement; or
- (v) use money of persons served by the program to purchase items for which the program is already receiving public or private payments;
- (8) document the names and contact information for persons to contact in case of an emergency, upon discharge, or other circumstances designated by the resident, including but not limited to death due to an overdose;
- (9) maintain contact information for emergency resources in the community, including but not limited to local mental health crisis services and the 988 Lifeline, to address mental health and health emergencies;
- (10) have policies on staff qualifications and a prohibition against relationships between operators and residents;
- (11) permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the FDA for the treatment of opioid use disorder, co-occurring substance use disorders, and mental health conditions;
- (12) have a fee schedule and refund policy;
- (13) have rules for residents, including on prohibited items;
- (14) have policies that promote resident participation in treatment, self-help groups, or other recovery supports;
- (15) have policies requiring abstinence from alcohol and illicit drugs on the property. If the program utilizes drug screening or toxicology, the procedures must be included in the program's policies;
- (16) distribute the recovery resident bill of rights in subdivision 3, resident rules, certification, and grievance process and post the documents in this clause in common areas;
- (17) have policies and procedures on person and room searches;
- (18) have code of ethics policies and procedures they are aligned with the NARR code of ethics and document that the policies and procedures are read and signed by all those associated with the operation of the recovery residence, including owners, operators, staff, and volunteers;
- (19) have a description of how residents are involved with the governance of the residence, including decision-making procedures, how residents are involved in setting and implementing rules, and the role of peer leaders, if any; and
- (20) have procedures to maintain a respectful environment, including appropriate action to stop intimidation, bullying, sexual harassment, or threatening behavior of residents, staff, and visitors within the residence. Programs should consider trauma-informed and resilience-promoting practices when determining action.

Subd. 3. **Resident bill of rights.** An individual living in a recovery residence has the right to:

- (1) have access to an environment that supports recovery;
- (2) have access to an environment that is safe and free from alcohol and other illicit drugs or substances;

(3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

(4) be treated with dignity and respect and to have personal property treated with respect;

(5) have personal, financial, and medical information kept private and to be advised of the recovery residence's policies and procedures regarding disclosure of the information;

(6) access while living in the residence to other community-based support services as needed;

(7) be referred to appropriate services upon leaving the residence if necessary;

(8) retain personal property that does not jeopardize the safety or health of the resident or others;

(9) assert the rights in this subdivision personally or have the rights asserted by the individual's representative or by anyone on behalf of the individual without retaliation;

(10) be provided with the name, address, and telephone number of the ombudsman for mental health and developmental disabilities and the certifying designated state affiliate and be provided with information about the right to file a complaint;

(11) be fully informed of the rights and responsibilities in this section and program policies and procedures; and

(12) not be required to perform services for the residence that are not included in the usual expectations for all residents.

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

Sec. 46. **[254B.212] COMPLAINTS AGAINST RECOVERY RESIDENCES.**

Subdivision 1. **In general.** Any complaints about a recovery residence may be made to and reviewed or investigated by the commissioner.

Subd. 2. **Types of complaints.** The commissioner must receive and review complaints that concern:

(1) the health and safety of residents;

(2) management of the recovery residence, including but not limited to house environment, financial procedures, staffing, house rules and regulations, improper handling of resident terminations, and recovery support environment; or

(3) illegal activities or threats.

Subd. 3. **Investigation.** (a) Complaints regarding illegal activities or threats must be immediately referred to law enforcement in the jurisdiction where the recovery residence is located. The commissioner must continue to investigate complaints under subdivision 2, clause (3), that have been referred to law enforcement unless law enforcement requests the commissioner to stay the investigation.

(b) The commissioner must investigate all other types of complaints under this section and may take any action necessary to conduct an investigation, including but not limited to interviewing the recovery residence operator, staff, and residents and inspecting the premises.



Subd. 4. **Anonymity.** When making a complaint pursuant to this section, an individual must disclose the individual's identity to the commissioner. Unless ordered by a court or authorized by the complainant, the commissioner must not disclose the complainant's identity.

Subd. 5. **Prohibition against retaliation.** A recovery residence owner, operator, director, staff member, or resident must not be subject to retaliation, including but not limited to interference, threats, coercion, harassment, or discrimination for making any complaint against a recovery residence or against a recovery residence owner, operator, or chief financial officer.

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

Sec. 47. **[254B.213] CERTIFICATION.**

Subdivision 1. **Voluntary certification.** The commissioner must establish and provide for the administration of a voluntary certification program based on the National Alliance for Recovery Residences standards for recovery residences seeking certification under this section.

Subd. 2. **Application requirements.** An applicant for certification must, at a minimum, submit the following documents on forms approved by the commissioner:

(1) if the premises for the recovery residence is leased, documentation from the owner that the applicant has permission from the owner to operate a recovery residence on the premises;

(2) all policies and procedures required under this chapter;

(3) copies of all forms provided to residents, including but not limited to the recovery residence's medication, drug-testing, return-to-use, refund, and eviction or transfer policies;

(4) proof of insurance coverage necessary and, at a minimum:

(i) employee dishonesty insurance in the amount of \$10,000 if the vendor has or had custody or control of money or property belonging to clients; and

(ii) bodily injury and property damage insurance in the amount of \$2,000,000 for each occurrence; and

(5) proof of completed background checks for the operator and residence staff.

Subd. 3. **Inspection pursuant to application.** Upon receiving a completed application, the commissioner must conduct an initial on-site inspection of the recovery residence to ensure the residence is in compliance with the requirements of sections 254B.21 to 254B.216.

Subd. 4. **Certification.** The commissioner must certify a recovery residence upon approval of the application and after the initial on-site inspection. The certification automatically terminates three years after issuance of the certification if the commissioner does not renew the certification. Upon certification, the commissioner must issue the recovery residence a proof of certification.

Subd. 5. **Display of proof of certification.** A recovery residence must publicly display a proof of certification in the recovery residence.

Subd. 6. **Nontransferrability.** Certifications issued pursuant to this section cannot be transferred to an address other than the address in the application or to another certification holder without prior approval from the commissioner.

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

Sec. 48. **[254B.214] MONITORING AND OVERSIGHT OF CERTIFIED RECOVERY RESIDENCES.**

Subdivision 1. **Monitoring and inspections.** (a) The commissioner must conduct an on-site certification review of the certified recovery residence every three years to determine the certification holder's compliance with applicable rules and statutes.

(b) The commissioner must offer the certification holder a choice of dates for an announced certification review. A certification review must occur during regular business hours.

(c) The commissioner must make the results of certification reviews and the results of investigations that result in a correction order publicly available on the department's website.

Subd. 2. **Commissioner's right of access.** (a) When the commissioner is exercising the powers conferred to the commissioner under this section, if the recovery residence is in operation and the information is relevant to the commissioner's inspection or investigation, the certification holder must provide the commissioner access to:

- (1) the physical facility and grounds where the residence is located;
- (2) documentation and records, including electronically maintained records;
- (3) residents served by the recovery residence;
- (4) staff persons of the recovery residence; and
- (5) personnel records of current and former staff of the recovery residence.

(b) The applicant or certification holder must provide the commissioner with access to the facility and grounds, documentation and records, residents, and staff without prior notice and as often as the commissioner considers necessary if the commissioner is conducting an inspection or investigating alleged maltreatment or a violation of a law or rule. When conducting an inspection, the commissioner may request assistance from other state, county, and municipal governmental agencies and departments. The applicant or certification holder must allow the commissioner, at the commissioner's expense, to photocopy, photograph, and make audio and video recordings during an inspection.

Subd. 3. **Correction orders.** (a) If the applicant or certification holder fails to comply with a law or rule, the commissioner may issue a correction order. The correction order must state:

- (1) the condition that constitutes a violation of the law or rule;
- (2) the specific law or rule that the applicant or certification holder has violated; and
- (3) the time that the applicant or certification holder is allowed to correct each violation.

(b) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the correction order. An applicant or certification holder must make a request for reconsideration in writing. The request must be sent via electronic communication to the commissioner within 20 calendar days after the applicant or certification holder received the correction order and must:

(1) specify the part of the correction order that is allegedly erroneous;

(2) explain why the specified part is erroneous; and

(3) include documentation to support the allegation of error.

(c) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(d) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified recovery residence according to subdivision 4.

(e) Nothing in this subdivision prohibits the commissioner from decertifying a recovery residence according to subdivision 4.

**Subd. 4. Decertification.** (a) The commissioner may decertify a recovery residence if a certification holder:

(1) failed to comply with an applicable law or rule; or

(2) knowingly withheld relevant information from or gave false or misleading information to the commissioner in connection with an application for certification, during an investigation, or regarding compliance with applicable laws or rules.

(b) When considering decertification of a recovery residence, the commissioner must consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of residents.

(c) If the commissioner decertifies a recovery residence, the order of decertification must inform the certification holder of the right to have a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The certification holder may appeal the decertification. The certification holder must appeal a decertification in writing and send or deliver the appeal to the commissioner by certified mail or personal service. If the certification holder mails the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar days after the certification holder receives the order of decertification. If the certification holder delivers an appeal by personal service, the commissioner must receive the appeal within ten calendar days after the certification holder received the order. If the certification holder submits a timely appeal of an order of decertification, the certification holder may continue to operate the program until the commissioner issues a final order on the decertification.

(d) If the commissioner decertifies a recovery residence pursuant to paragraph (a), clause (1), based on a determination that the recovery residence was responsible for maltreatment under chapter 260E or section 626.557, the final decertification determination is stayed until the commissioner issues a final decision regarding the maltreatment appeal if the certification holder appeals the decertification according to paragraph (c) and appeals the maltreatment determination pursuant to chapter 260E or section 626.557.

Subd. 5. **Notifications required and noncompliance.** (a) Changes in recovery residence organization, staffing, services, or quality assurance procedures that affect the ability of the certification holder to comply with the minimum standards of this chapter must be reported in writing by the certification holder to the commissioner within 15 days of the occurrence. The commissioner must review the change. If the change would result in noncompliance in minimum standards, the commissioner must give the recovery residence written notice and up to 180 days to correct the areas of noncompliance before being decertified. The recovery residence must develop interim procedures to resolve the noncompliance on a temporary basis and submit the interim procedures in writing to the commissioner for approval within 30 days of the commissioner's determination of the noncompliance. The commissioner must immediately decertify a recovery residence that fails to report a change that results in noncompliance within 15 days, fails to develop an approved interim procedure within 30 days of the determination of the noncompliance, or does not resolve the noncompliance within 180 days.

(b) The commissioner may require the recovery residence to submit written information to document that the recovery residence has maintained compliance with this section.

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

Sec. 49. **[254B.215] CERTIFICATION LEVELS.**

Subdivision 1. **Certification levels.** When certifying a recovery residence, the commissioner must specify whether the residence is a level-one or level-two certified recovery residence.

Subd. 2. **Level-one certification.** The commissioner must designate a certified residence as a level-one certified recovery residence when the residence is peer run. A level-one certified recovery residence must:

- (1) not permit an allowance for on-site paid staff or operator of the recovery residence;
- (2) permit only nonpaid staff to live or work within the residence; and
- (3) ensure that decisions are made solely by residents.

Subd. 3. **Level-two certification.** (a) The commissioner must designate a certified residence as a level-two certified recovery residence when the residence is managed by someone other than the residents. A level-two certified recovery residence must have staff to model and teach recovery skills and behaviors.

(b) A level-two certified recovery residence must:

- (1) have written job descriptions for each staff member position, including position responsibilities and qualifications;
- (2) have written policies and procedures for ongoing performance development of staff;
- (3) provide annual training on emergency procedures, resident bill of rights, grievance policies and procedures, and code of ethics;
- (4) provide community or house meetings, peer supports, and involvement in self-help or off-site treatment services;
- (5) have identified recovery goals;

(6) maintain documentation that residents are linked with community resources such as job search, education, family services, and health and housing programs; and

(7) maintain documentation of referrals made for additional services.

(c) Staff of a level-two certified recovery residence must not provide billable peer support services to residents of the recovery residence.

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

Sec. 50. **[254B.216] RESIDENT RECORD.**

A certified recovery residence must maintain documentation with a resident's signature stating that each resident received the following prior to or on the first day of residency:

(1) the recovery resident bill of rights in section 254B.211, subdivision 3;

(2) the residence's financial obligations and agreements, refund policy, and payments from third-party payers for any fees paid on the resident's behalf;

(3) the residence's services provided;

(4) relapse policies;

(5) policies regarding personal property;

(6) orientation to emergency procedures;

(7) orientation to resident rules; and

(8) all other applicable orientation materials identified in sections 254B.21 to 254B.216.

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

Sec. 51. Minnesota Statutes 2024, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to (n) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) \$100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) \$2,000,000 is appropriated to the commissioner of human services for ~~grants~~ direct payments to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce. Any evaluations of practices under this paragraph must be designed cooperatively by the commissioner and Tribal nations or urban Indian communities. The commissioner must not require recipients to provide the details of specific ceremonies or identities of healers.

(e) \$400,000 is appropriated to the commissioner of human services for competitive grants for opioid-focused Project ECHO programs.

(f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the commissioner of human services to administer the funding distribution and reporting requirements in paragraph (o).

(g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated to the commissioner of human services for safe recovery sites start-up and capacity building grants under section 254B.18.

(h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to the commissioner of human services for the opioid overdose surge alert system under section 245.891.

(i) \$300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

(j) \$261,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (n).

(k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining amount is appropriated to the commissioner of children, youth, and families for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide prevention and child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects through a formula based on intake data from the previous three calendar years related to substance use and out-of-home placement episodes where parental drug abuse is a reason for the out-of-home placement. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide prevention and child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

(n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

(o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph (m) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n) may be distributed on a calendar year basis.

(p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

Sec. 52. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner shall include a quality incentive payment in the CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment shall be limited to one payment per day per medical assistance enrollee when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, shall be established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner shall rebase CCBHC rates once every two years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change in the scope of services. For CCBHCs certified after September 31, 2020, and before January 1, 2021, the commissioner shall rebase rates according to this clause for services provided on or after January 1, 2024;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

(6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal Medicaid rate is not eligible for the CCBHC rate methodology;

(7) payments for CCBHC services to individuals enrolled in managed care shall be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the CCBHC daily bundled rate system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update shall occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope shall occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans shall reimburse CCBHC providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.



If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersedes eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2 2a, paragraph (b), clause (8) (2).

Sec. 53. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health home services provider must maintain staff with required professional qualifications appropriate to the setting.

(b) If behavioral health home services are offered in a mental health setting, the integration specialist must be a licensed nurse, as defined in section 148.171, subdivision 9.

(c) If behavioral health home services are offered in a primary care setting, the integration specialist must be a mental health professional who is qualified according to section 245I.04, subdivision 2.

(d) If behavioral health home services are offered in either a primary care setting or mental health setting, the systems navigator must be a mental health practitioner who is qualified according to section 245I.04, subdivision 4, or a community health worker as defined in section 256B.0625, subdivision 49.

(e) If behavioral health home services are offered in either a primary care setting or mental health setting, the qualified health home specialist must be one of the following:

- (1) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10;
- (2) a mental health certified family peer specialist who is qualified according to section 245I.04, subdivision 12;
- (3) a case management associate as defined in section 245.462, subdivision 4, paragraph (g), or 245.4871, subdivision 4, paragraph (j);
- (4) a mental health rehabilitation worker who is qualified according to section 245I.04, subdivision 14;
- (5) a community paramedic as defined in section 144E.28, subdivision 9;
- (6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~ 245G.11, subdivision 8; or
- (7) a community health worker as defined in section 256B.0625, subdivision 49.

Sec. 54. Minnesota Statutes 2024, section 256B.0761, subdivision 4, is amended to read:

Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an individual's release date or, if an individual's confinement is less than 90 days, during the time period between a medical assistance eligibility determination and the release to the community.

(b) Facilities must offer the following services using either community-based or corrections-based providers:

(1) case management activities to address physical and behavioral health needs, including a comprehensive assessment of individual needs, development of a person-centered care plan, referrals and other activities to address assessed needs, and monitoring and follow-up activities;

(2) drug coverage in accordance with section 256B.0625, subdivision 13, including up to a 30-day supply of drugs upon release;

(3) substance use disorder comprehensive assessments according to section 254B.05, subdivision 5, paragraph (b), clause (2);

(4) treatment coordination services according to section 254B.05, subdivision 5, paragraph (b), clause (3);

(5) peer recovery support services according to sections 245I.04, subdivisions 18 and 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

(6) substance use disorder individual and group counseling provided according to sections 245G.07, subdivision 1, paragraph (a), clause (1), and 254B.05;

(7) mental health diagnostic assessments as required under section 245I.10;

(8) group and individual psychotherapy as required under section 256B.0671;

(9) peer specialist services as required under sections 245I.04 and 256B.0615;

(10) family planning and obstetrics and gynecology services; ~~and~~

(11) physical health well-being and screenings and care for adults and youth; and

(12) medications used for the treatment of opioid use disorder and nonmedication treatment services for opioid use disorder under section 245G.22.

(c) Services outlined in this subdivision must only be authorized when an individual demonstrates medical necessity or other eligibility as required under this chapter or applicable state and federal laws.

Sec. 55. Minnesota Statutes 2024, section 256I.04, subdivision 2a, is amended to read:

Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph ~~(b)~~ (c), an agency may not enter into an agreement with an establishment to provide housing support unless:

(1) the establishment is licensed by the Department of Health as a hotel and restaurant; a board and lodging establishment; a boarding care home before March 1, 1985; or a supervised living facility, and the service provider for residents of the facility is licensed under chapter 245A. However, an establishment licensed by the Department of Health to provide lodging need not also be licensed to provide board if meals are being supplied to residents under a contract with a food vendor who is licensed by the Department of Health;

(2) the residence is: (i) licensed by the commissioner of human services under Minnesota Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265; (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120, with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02, subdivision 4a, as a community residential setting by the commissioner of human services; or

(3) the facility is licensed under chapter 144G and provides three meals a day.

(b) Effective January 1, 2027, the commissioner may enter into housing support agreements with a board and lodging establishment under section 256I.04, subdivision 2a, paragraph (a), clause (1), that is also certified by the commissioner as a recovery residence, subject to the requirements of section 256I.04, subdivisions 2a to 2f. When doing so, the department of human services serves as the lead agency for the agreement.

~~(b)~~ (c) The requirements under paragraph (a) do not apply to establishments exempt from state licensure because they are:

(1) located on Indian reservations and subject to tribal health and safety requirements; or

(2) supportive housing establishments where an individual has an approved habitability inspection and an individual lease agreement.

~~(c)~~ (d) Supportive housing establishments that serve individuals who have experienced long-term homelessness and emergency shelters must participate in the homeless management information system and a coordinated assessment system as defined by the commissioner.

~~(d)~~ (e) Effective July 1, 2016, an agency shall not have an agreement with a provider of housing support unless all staff members who have direct contact with recipients:

(1) have skills and knowledge acquired through one or more of the following:

(i) a course of study in a health- or human services-related field leading to a bachelor of arts, bachelor of science, or associate's degree;

(ii) one year of experience with the target population served;

(iii) experience as a mental health certified peer specialist according to section 256B.0615; or

(iv) meeting the requirements for unlicensed personnel under sections 144A.43 to 144A.483;

(2) hold a current driver's license appropriate to the vehicle driven if transporting recipients;

(3) complete training on vulnerable adults mandated reporting and child maltreatment mandated reporting, where applicable; and

(4) complete housing support orientation training offered by the commissioner.

Sec. 56. Minnesota Statutes 2024, section 325F.725, is amended to read:

**325F.725 ~~SOBER HOME~~ RECOVERY RESIDENCE TITLE PROTECTION.**

No person or entity may use the phrase "~~sober home~~," "recovery residence," whether alone or in combination with other words and whether orally or in writing, to advertise, market, or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity meets the definition of a ~~sober home~~ recovery residence in section 254B.01, subdivision 11, and meets the requirements of ~~section 254B.181~~ sections 254B.21 to 254B.216.

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

Sec. 57. **RECOVERY RESIDENCE WORKGROUP.**

(a) The commissioner of human services must convene a workgroup to develop recommendations specific to recovery residences. The workgroup must:

(1) produce a report that examines how other states fund recovery residences, identifying best practices and models that could be applicable to Minnesota;

(2) engage with stakeholders to ensure meaningful collaboration with key external stakeholders on the ideas being developed that will inform the final plan and recommendations; and

(3) create an implementable plan addressing housing needs for individuals in outpatient substance use disorder treatment that includes:

(i) clear strategies for aligning housing models with individual treatment needs;

(ii) an assessment of funding streams, including potential federal funding sources;

(iii) a timeline for implementation with key milestones and action steps;

(iv) recommendations for future resource allocation to ensure long-term housing stability for individuals in recovery; and

(v) specific recommendations for policy or legislative changes that may be required to support sustainable recovery housing solutions.

(b) The workgroup must include but is not limited to:

(1) at least two designees from the Department of Human Services representing: (i) behavioral health; and (ii) homelessness and housing and support services;

(2) the commissioner of health or a designee;

(3) two people who have experience living in a recovery residence;

(4) representatives from at least three substance use disorder lodging facilities currently operating in Minnesota;

(5) three representatives from county social services agencies, at least one from inside the seven-county metropolitan area and one from outside the seven-county metropolitan area;

(6) a representative from a Tribal social services agency;

(7) representatives from national or state organizations or associations specializing in recovery residences and substance use disorder treatment; and

(8) a representative from a state mental health advocacy or adult mental health provider organization.

(c) The workgroup must meet at least monthly and as necessary to fulfill its responsibilities. The commissioner of human services must provide administrative support and meeting space for the workgroup. The workgroup may conduct meetings remotely.

(d) The commissioner of human services must make appointments to the workgroup by October 1, 2025, and convene the first meeting of the workgroup by January 15, 2026.

(e) The workgroup must submit a final report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on or before January 1, 2027.

**Sec. 58. SUBSTANCE USE DISORDER CARE COORDINATION AND NAVIGATION ASSISTANCE EVALUATION.**

(a) The commissioner of human services must evaluate and make recommendations on ways to ensure that persons with substance use disorder have access to care coordination and navigation services that improve access to:

(1) acute withdrawal services;

(2) physical health care coverage and services;

(3) cognitive, behavioral, and emotional health care coverage and services;

(4) relapse prevention services; and

(5) recovery environment supports, including but not limited to employment, vocational services, transportation, child care, affordable housing, economic assistance, financial independence, and reconnection to community.

(b) As part of the evaluation, the commissioner must assess and identify gaps in the current substance use disorder service continuum including treatment coordination, health care navigation services, and case management. The commissioner must evaluate opportunities and make recommendations for developing, expanding, or integrating medical assistance care coordination, navigation, and case management services.

(c) The commissioner must submit a report on the evaluation and recommendations under this section to the chairs and ranking minority members of the committees with jurisdiction over health and human services by November 1, 2026. The report must outline currently available care coordination and navigation services for persons with substance use disorder, identify gaps in the substance use disorder service continuum, and recommend new, expanded, or integrated benefits that align with evidence-based, holistic, and person-centered approaches to substance use disorder recovery.

**Sec. 59. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY WORKING GROUP.**

(a) By July 15, 2025, the commissioner of human services must convene a working group with participation from:

(1) organizations operating psychiatric residential treatment facilities;

(2) advocates;

(3) health care experts;

(4) juvenile detention experts;

(5) county representatives;

(6) at least one employee of Direct Care and Treatment appointed by the chief executive officer of Direct Care and Treatment;

(7) at least one employee of the Department of Health appointed by the commissioner of health; and

(8) at least two employees of the Department of Human Services, one of whom must have expertise in behavioral health and one of whom must have expertise in licensing of residential facilities.

(b) By January 15, 2026, the psychiatric residential treatment facility working group must submit a report and proposed legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over children's mental health and juvenile detention. The submitted report must include recommendations;

(1) to amend the state medical assistance plan to expand access to care provided in psychiatric residential treatment facilities with consideration being given to enhancing flexibilities to serve a continuum of mental health needs;

(2) to develop licensing standards for psychiatric residential treatment facilities to reflect needed flexibilities and broad inclusion of settings where care can be delivered in settings operated by Direct Care and Treatment; and

(3) to update the rate methodology for services provided in psychiatric residential treatment facilities to assure high quality of care with required individualization.

(c) When developing the recommendations required under paragraph (b), the working group must:

(1) consider how best to meet the needs of children with high levels of complexity, aggression, and related barriers to being served by community providers; and

(2) determine what would be required, including needed infrastructure, staffing, and sustainable funding sources, to allow qualified residential treatment programs to transition to a psychiatric residential treatment facility standard of care.

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

Sec. 60. **SUBSTANCE USE DISORDER TREATMENT BILLING UNITS.**

The commissioner of human services must establish six new billing codes for nonresidential substance use disorder individual and group counseling, psychoeducation, and recovery support services. The commissioner must identify reimbursement rates for the newly defined codes and update the substance use disorder fee schedule. The new billing codes must correspond to a 15-minute unit and become effective for services provided on or after July 1, 2026, or upon federal approval, whichever is later.

Sec. 61. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the terms "mental health practitioner" and "mental health practitioners" to "behavioral health practitioner" or "behavioral health practitioners" wherever they appear in Minnesota Statutes, chapter 245I.

Sec. 62. **REPEALER.**

(a) Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision 2; and 254B.01, subdivision 5, are repealed.

(b) Minnesota Statutes 2024, section 254B.04, subdivision 2a, is repealed.

(c) Minnesota Statutes 2024, section 254B.181, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2025, paragraph (b) is effective July 1, 2027, and paragraph (c) is effective January 1, 2027.

ARTICLE 5  
BACKGROUND STUDIES

Section 1. Minnesota Statutes 2024, section 142A.02, subdivision 1, is amended to read:

Subdivision 1. **Department.** (a) The Department of Children, Youth, and Families is established. The commissioner of children, youth, and families is hereby constituted the "state agency" for the purposes of Title IV of the Social Security Act of the United States and the laws of this state.

(b) The commissioners of human services and children, youth, and families are hereby constituted the "state agency" and the "joint interagency office" for purposes of background studies under chapter 245C.

(c) The commissioner of children, youth, and families is hereby constituted the "state agency" for the purposes of administering the child care and development fund.

Sec. 2. Minnesota Statutes 2024, section 142A.09, subdivision 1, is amended to read:

Subdivision 1. **Background studies required.** ~~The commissioner of children, youth, and families shall contract with the commissioner of human services to~~ shall conduct background studies of individuals specified in section 245C.03, subdivision 1, affiliated with:

(1) a facility or program licensed or seeking a license under chapter 142B;

(2) a license-exempt child care center certified under chapter 142C; or

(3) a legal nonlicensed child care provider authorized under chapter 142E.

Sec. 3. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

Subd. 7. **Commissioner.** ~~"Commissioner" has the meaning given in section 245A.02, subdivision 5~~ means the commissioner of human services.

Sec. 4. Minnesota Statutes 2024, section 245C.03, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities.** ~~(a) The commissioner shall conduct background studies of~~ on any individual who is an owner who has at least a five percent ownership stake, an operator, or an employee or volunteer who provides direct

contact, as defined in section 245C.02, subdivision 11, for services specified in the federally approved home and community-based waiver plans under section 256B.4912. The individual studied must meet the requirements of this chapter prior to providing waiver services and as part of ongoing enrollment.

(b) The requirements in paragraph (a) apply to consumer-directed community supports under section 256B.4911.

(c) For purposes of this section, "operator" includes but is not limited to a managerial officer who oversees the billing, management, or policies of the services provided.

Sec. 5. Minnesota Statutes 2024, section 245C.03, subdivision 13, is amended to read:

Subd. 13. **Providers of housing stabilization services.** The commissioner shall conduct background studies ~~of~~ on any provider of individual who is an owner who has at least a five percent ownership stake in, an operator of, or an employee or volunteer who provides direct contact housing stabilization services required by section 256B.051 ~~to have a background study completed under this chapter.~~

Sec. 6. Minnesota Statutes 2024, section 245C.03, subdivision 15, is amended to read:

Subd. 15. **Early intensive developmental and behavioral intervention providers.** The commissioner shall conduct background studies according to this chapter ~~when initiated by an~~ on any individual who is an owner who has at least a five percent ownership stake in, an operator of, or an employee or volunteer who provides direct contact early intensive developmental and behavioral intervention ~~provider~~ services under section 256B.0949.

Sec. 7. Minnesota Statutes 2024, section 245C.04, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities and providers of housing stabilization services.** (a) Providers required to initiate background studies under section ~~256B.4912~~ 245C.03, subdivisions 6 and 13 must initiate a study using the electronic system known as NETStudy 2.0 before the individual begins in a position allowing direct contact with persons served by the provider. New providers must initiate a study under this subdivision before initial enrollment if the provider has not already initiated background studies as part of the service licensure requirements.

(b) Except as provided in paragraphs (c) and (d), the providers must initiate a background study annually of an individual required to be studied under section 245C.03, subdivision 6.

(c) After an initial background study under this subdivision is initiated on an individual by a provider of both services licensed by the commissioner and the unlicensed services under this subdivision, a repeat annual background study is not required if:

(1) the provider maintains compliance with the requirements of section 245C.07, paragraph (a), regarding one individual with one address and telephone number as the person to receive sensitive background study information for the multiple programs that depend on the same background study, and that the individual who is designated to receive the sensitive background information is capable of determining, upon the request of the commissioner, whether a background study subject is providing direct contact services in one or more of the provider's programs or services and, if so, at which location or locations; and

(2) the individual who is the subject of the background study provides direct contact services under the provider's licensed program for at least 40 hours per year so the individual will be recognized by a probation officer or corrections agent to prompt a report to the commissioner regarding criminal convictions as required under section 245C.05, subdivision 7.



~~(d) A provider who initiates background studies through NETStudy 2.0 is exempt from the requirement to initiate annual background studies under paragraph (b) for individuals who are on the provider's active roster.~~

Sec. 8. Minnesota Statutes 2024, section 245C.04, is amended by adding a subdivision to read:

**Subd. 12. Early intensive developmental and behavioral intervention providers.** Providers required to initiate background studies under section 245C.03, subdivision 15, must initiate a study using the electronic system known as NETStudy 2.0 before the individual begins in a position operating or allowing direct contact with persons served by the provider or before the individual becomes an operator or acquires five percent or more ownership.

Sec. 9. Minnesota Statutes 2024, section 245C.08, subdivision 5, is amended to read:

**Subd. 5. Authorization.** The commissioner of human services shall be authorized to receive information under this chapter.

Sec. 10. Minnesota Statutes 2024, section 245C.10, is amended by adding a subdivision to read:

**Subd. 9b. Child foster care and adoption programs.** The commissioner shall recover the cost of a background study required for child foster care and adoption studies through a fee of no more than \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

**Subd. 2. Activities pending completion of background study.** The subject of a background study may not perform any activity requiring a background study under paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (c) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed from direct contact or access to people receiving services prior to completion of the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice that more time is needed to complete the study must also indicate whether the individual is required to be under continuous direct supervision prior to completion of the background study. When more time is necessary to complete a background study of an individual affiliated with a Title IV-E eligible children's residential facility or foster residence setting, the individual may not work in the facility or setting regardless of whether or not the individual is supervised;

(2) a notice that a disqualification has been set aside under section 245C.23; or

(3) a notice that a variance has been granted related to the individual under section 245C.30.

(b) For a background study affiliated with a licensed child care center or certified license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii), must not be issued until the commissioner receives a qualifying result for the individual for the fingerprint-based national criminal history record check or the

fingerprint-based criminal history information from the Bureau of Criminal Apprehension. The notice must require the individual to be under continuous direct supervision prior to completion of the remainder of the background study except as permitted in subdivision 3.

(c) Activities prohibited prior to receipt of notice under paragraph (a) include:

(1) being issued a license;

(2) living in the household where the licensed program will be provided;

(3) providing direct contact services to persons served by a program unless the subject is under continuous direct supervision;

(4) having access to persons receiving services if the background study was completed under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2), (5), or (6), unless the subject is under continuous direct supervision;

(5) for licensed child care centers and certified license-exempt child care centers, providing direct contact services to persons served by the program;

(6) for children's residential facilities or foster residence settings, working in the facility or setting; ~~or~~

(7) for background studies affiliated with a personal care provider organization, except as provided in section 245C.03, subdivision 3b, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study of the personal care assistant under this chapter and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22; or

(8) for background studies affiliated with an early intensive developmental and behavioral intervention provider, before an individual provides services, the early intensive developmental and behavioral intervention provider must initiate a background study for the individual under this chapter and the early intensive developmental and behavioral intervention provider must have received a notice from the commissioner that the individual is:

(i) not disqualified under section 245C.14; or

(ii) disqualified, but the individual has received a set-aside of the disqualification under section 245C.22.

**EFFECTIVE DATE.** The amendment to paragraph (b) is effective January 15, 2026. The amendment to paragraph (c) is effective August 5, 2025.

Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to read:

Subd. 4c. **Two-year disqualification.** An individual is disqualified under section 245C.14, subdivision 6, if less than two years have passed since a determination that the individual violated section 142A.12, 245.095, or 256B.064.

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

Sec. 13. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to read:

Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall disqualify an individual who is the subject of a background study from any position involving ownership, management, or control of a program or billing activities if a background study completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

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

Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) regardless of how much time has passed since the discharge of the sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of the level of the offense, the individual has committed any of the following offenses: sections 243.166 (violation of predatory offender registration law); 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture); a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1) (indecent exposure involving a minor); 617.246 (use of minors in sexual performance prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care background study subject, conviction of a crime that would make the individual ineligible for employment under United States Code, title 42, section 9858f, except for a felony drug conviction, regardless of whether a period of disqualification under subdivisions 2 to 4, would apply if the individual were not a child care background study subject.

(b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14.

(c) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies the individual under section 245C.14.

(d) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

(e) If the individual studied commits one of the offenses listed in paragraph (a) that is specified as a felony-level only offense, but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified, but the disqualification look-back period for the offense is the period applicable to gross misdemeanor or misdemeanor offenses.

(f) A child care background study subject shall be disqualified if the individual is registered, or required to be registered, on a state sex offender registry or repository or the National Sex Offender Registry.

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

Sec. 15. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, regardless of how much time has passed, an individual is disqualified under section 245C.14 if the individual committed an act that resulted in a felony-level conviction for sections: 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse); 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in, hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession of pictorial representations of minors).

(b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14, regardless of how much time has passed, if the individual:

(1) committed an action under paragraph (e) that resulted in death or involved sexual abuse, as defined in section 260E.03, subdivision 20;

(2) committed an act that resulted in a gross misdemeanor-level conviction for section 609.3451 (criminal sexual conduct in the fifth degree);

(3) committed an act against or involving a minor that resulted in a felony-level conviction for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree); or

(4) committed an act that resulted in a misdemeanor or gross misdemeanor-level conviction for section 617.293 (dissemination and display of harmful materials to minors).

(c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights in any other state or country, where the conditions for the individual's termination of parental rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b).

(d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14 if fewer than five years have passed since a felony-level violation for sections: 152.021 (controlled substance crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing controlled substances across state borders); 152.0262, subdivision 1, paragraph (b) (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia; prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while impaired); 243.166 (violation of predatory offender registration requirements); 609.2113 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation, inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498, subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

(e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a background study affiliated with a licensed family child foster care license, an individual is disqualified under section 245C.14 if fewer than five years have passed since:

(1) a felony-level violation for an act not against or involving a minor that constitutes: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the fifth degree);

(2) a violation of an order for protection under section 518B.01, subdivision 14;

(3) a determination or disposition of the individual's failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment was recurring or serious;

(4) a determination or disposition of the individual's substantiated serious or recurring maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially similar to the elements of maltreatment under chapter 260E or section 626.557 and meet the definition of serious maltreatment or recurring maltreatment;

(5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

(6) committing an act against or involving a minor that resulted in a misdemeanor-level violation of section 609.224, subdivision 1 (assault in the fifth degree).

(f) For purposes of this subdivision, the disqualification begins from:

(1) the date of the alleged violation, if the individual was not convicted;

(2) the date of conviction, if the individual was convicted of the violation but not committed to the custody of the commissioner of corrections; or

(3) the date of release from prison, if the individual was convicted of the violation and committed to the custody of the commissioner of corrections.

Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation of the individual's supervised release, the disqualification begins from the date of release from the subsequent incarceration.

(g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (d) and (e).

(h) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraphs (a) and (b), permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since an offense in any other state or country, the elements of which are substantially similar to the elements of any offense listed in paragraphs (d) and (e).

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

Sec. 16. Minnesota Statutes 2024, section 245C.22, subdivision 3, is amended to read:

Subd. 3. **Preeminent weight given to safety of persons being served and program integrity.** In reviewing a request for reconsideration of a disqualification, the commissioner shall give preeminent weight to the safety of each person served by the license holder, applicant, or other entities as provided in this chapter and to program integrity through protection of state and federal money supporting the program over the interests of the disqualified individual, license holder, applicant, or other entity as provided in this chapter, and any single factor under subdivision 4, paragraph (b), may be determinative of the commissioner's decision whether to set aside the individual's disqualification.

Sec. 17. Minnesota Statutes 2024, section 245C.22, subdivision 8, is amended to read:

Subd. 8. **Sharing of certain data for reconsiderations and appeals.** (a) The following commissioners shall be responsible for ~~conducting making final agency decisions on background study~~ reconsiderations and ~~defending~~ appeals of background ~~studies for programs under their jurisdictions study determinations~~:

(1) the commissioner of human services for all programs under ~~section 245C.03, subdivision 1~~ this chapter, unless otherwise specified in this subdivision;

(2) the commissioner of health for programs under section 245C.03, subdivision 5a;

(3) the commissioner of corrections for programs under section 245C.03, subdivision 5b; and

(4) the commissioner of the children, youth, and families for programs under section 245C.03, subdivision 5c.

(b) The commissioner of human services shall share all relevant background study data to allow the commissioners specified in paragraph (a) to complete reconsiderations and appeals for programs licensed or regulated by their agencies.

Sec. 18. Minnesota Statutes 2024, section 609A.015, subdivision 4, is amended to read:

Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an automatic expungement under this section of that eligibility at any hearing where the court dismisses and discharges proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; concludes that all pending actions or proceedings were resolved in favor of the person; grants a person's placement into a diversion program; or sentences a person or otherwise imposes a consequence for a qualifying offense.

(b) To the extent possible, prosecutors, defense counsel, supervising agents, and coordinators or supervisors of a diversion program shall notify a person who may become eligible for an automatic expungement under this section of that eligibility.

(c) If any party gives notification under this subdivision, the notification shall inform the person that:

(1) a record expunged under this section may be opened for purposes of a background study by the Department of Human Services; ~~the Department of Children, Youth, and Families~~; or the Department of Health under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8; and

(2) the person can file a petition under section 609A.03, subject to the process in section 609A.03 and the limitations in section 609A.02, to expunge the records held by the commissioner of human services; ~~the commissioner of children, youth, and families~~; the commissioner of health; and the Professional Educator Licensing and Standards Board.

Sec. 19. Minnesota Statutes 2024, section 609A.055, subdivision 3, is amended to read:

Subd. 3. **Expungement relief; notification requirements.** (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person whose records the bureau possesses and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.055."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records. The judicial branch shall not order the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services to seal records under this section.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means. Upon receiving notification of an expungement, an agency or office shall seal all records related to the expungement, including the records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case.

(e) The bureau shall provide information on its publicly facing website clearly stating that persons who are noncitizens may need copies of records affected by a grant of expungement relief for immigration purposes, explaining how they can obtain these copies after expungement or other granted relief, and stating that a noncitizen should consult with an immigration attorney.

(f) Data on a person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (d), are private data on individuals as defined in section 13.02, subdivision 12.

(g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing the record of proceedings under section 152.18.

(h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply to an order issued under this section.

(i) The subject whose record qualifies for expungement shall be given access to copies of the records of arrest, conviction, or incarceration for any purposes, including immigration purposes.

(j) Relief granted under this subdivision shall not impact the ability of a petitioner to file for relief under section 590.01.

## ARTICLE 6 DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

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

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;



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

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

(6) to administer federal funds or programs;

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) the participant:

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

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

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

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

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

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

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

(i) the member:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

(3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense;

(4) to an agent ~~of the welfare system~~ or an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the commissioner of human services or commissioner of children, youth, and families determines that disclosure may compromise a Department of Human Services or Department of Children, Youth, and Families ongoing investigation; or

(5) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient or the reduction or withholding of payments may be disclosed if the commissioner determines that it will not compromise the investigation.

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

Sec. 3. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines:

(1) there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency;

(2) the individual, the entity, or an associated individual or entity was convicted of a crime charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner or another Minnesota state or federal agency. For purposes of this subdivision, "convicted" means a judgment of conviction has been entered by a federal, state, or local court, regardless of whether an appeal from the judgment is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty or nolo contendere;

(3) the provider is operating after a Minnesota state or federal agency orders the suspension, revocation, or decertification of the provider's license;

(4) the provider, vendor, associated individual, or associated entity, including those receiving funds under any contract or registered program, has a background study disqualification under chapter 245C that has not been set aside and for which no variance has been issued, except for a disqualification under sections 245C.14, subdivision 5, and 245C.15, subdivision 4c; or

(5) by a preponderance of the evidence that the provider, vendor, individual, associated individual, or associated entity intentionally provided materially false information on the provider's billing forms.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

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

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants.

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

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

Sec. 4. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to read:

**Subd. 6. Data practices.** The commissioner may exchange information, including claims data, with state or federal agencies, professional boards, departments, or programs for the purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related to suspected fraud or exclusion from any program administered by a state or federal agency.

Sec. 5. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to read:

Subd. 7a. **Discretionary temporary licensing moratorium.** (a) The commissioner must not issue an initial license for an individual, organization, or government entity seeking licensure under this chapter and must not add a new service to an existing license when the commissioner determines that exceptional growth in applications for licensure or requests to add new services exceeds the determined need for service capacity. A temporary licensing moratorium issued under this subdivision is effective for a period of up to 24 months from the date the commissioner issues the moratorium.

(b) Any applicant that will not receive a license due to a temporary licensing moratorium issued under paragraph (a) may apply for a refund of licensing application fees for up to one year from the date the commissioner issues the moratorium.

(c) The commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services at least 30 days prior to issuing a temporary moratorium under this subdivision and publish notice of the moratorium on the department's website. The notice must include:

(1) a list of all license types to which the moratorium will apply;

(2) the proposed start date of the moratorium; and

(3) the anticipated duration of the moratorium.

(d) The commissioner must establish and make publicly available the processes and criteria the commissioner will use to grant exceptions to a temporary moratorium issued under this subdivision.

Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

**Subdivision 1. Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;



(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Sec. 7. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license, and the specific service the license holder is licensed to provide;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the observation required by subdivision 4, paragraph (a), clause (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a license if the applicant, license holder, or an affiliated controlling individual has:

- (1) been disqualified and the disqualification was not set aside and no variance has been granted;
- (2) been denied a license under this chapter or chapter 142B within the past two years;
- (3) had a license issued under this chapter or chapter 142B revoked within the past five years; or

(4) failed to submit the information required of an applicant under subdivision 1, paragraph (f), (g), or (h), after being requested by the commissioner.

When a license issued under this chapter or chapter 142B is revoked, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant or license holder or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

(l) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a Tribal licensing authority has established jurisdiction to license the program or service.

(m) The commissioner of human services may coordinate and share data with the commissioner of children, youth, and families to enforce this section.

Sec. 8. Minnesota Statutes 2024, section 245A.043, is amended by adding a subdivision to read:

Subd. 2a. **Review of change in ownership.** (a) After a change in ownership under subdivision 2, paragraph (a), the commissioner may complete a review for all new license holders within 12 months after the new license is issued.

(b) For all license holders subject to the exception in subdivision 2, paragraph (b), the license holder must notify the commissioner of the date of the change in controlling individuals pursuant to section 245A.04, subdivision 7a, and the commissioner may complete a review within 12 months following the change.

Sec. 9. Minnesota Statutes 2024, section 245A.05, is amended to read:

**245A.05 DENIAL OF APPLICATION.**

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 142E and 245C; ~~or~~

(10) is prohibited from holding a license according to section 245.095; or

(11) is the subject of a pending administrative, civil, or criminal investigation.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 10. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the license holder's or controlling individual's actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program, pose an imminent risk of harm to the health, safety, or rights of persons served by the program;

(2) while the program continues to operate pending an appeal of an order of revocation, the commissioner identifies one or more subsequent violations of law or rule which may adversely affect the health or safety of persons served by the program; or

(3) the license holder or controlling individual is criminally charged in state or federal court with an offense that involves fraud or theft against a program administered by ~~the commissioner~~ a state or federal agency.

(b) No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

(c) The commissioner may act immediately to temporarily suspend a license issued under this chapter if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency.

Sec. 11. Minnesota Statutes 2024, section 245A.10, subdivision 2, is amended to read:

Subd. 2. **County fees for applications and licensing inspections.** (a) For purposes of adult foster care and child foster residence setting licensing, family adult day services, family adult foster care, and licensing the physical plant of a community residential setting or residential services facility, under this chapter, a county agency may charge a fee to a corporate applicant or corporate license holder to recover the actual cost of licensing inspections, not to exceed ~~\$500~~ \$2,100 annually. Of this amount, 50 percent must be allocated to the county agency and 50 percent must be deposited as required under subdivision 8.

(b) Counties may elect to reduce or waive the fees in paragraph (a) under the following circumstances:

(1) in cases of financial hardship;

(2) if the county has a shortage of providers in the county's area; or

(3) for new providers.

Sec. 12. Minnesota Statutes 2024, section 245A.10, subdivision 3, is amended to read:

Subd. 3. **Application fee for initial license or certification.** (a) Except as provided in paragraph (d), for fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a \$500 \$2,100 application fee with each new application required under this subdivision. An applicant for an initial day services facility license under chapter 245D shall submit a \$250 application fee with each new application. A new application fee must be submitted for each new license holder on the license when a partial change of ownership occurs. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in paragraph (c), an applicant shall apply for a license to provide services at a specific location.

(c) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide.

(d) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner for children's residential facility or mental health clinic licensure or certification shall submit a \$500 application fee with each new application required under this subdivision.

Sec. 13. Minnesota Statutes 2024, section 245A.10, subdivision 4, is amended to read:

Subd. 4. **License or certification fee for certain programs.** (a)(1) A program licensed to provide one or more of the home and community-based services and supports identified under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual nonrefundable license fee based on revenues derived from the provision of services that would require licensure under chapter 245D during the calendar year immediately preceding the year in which the license fee is paid, according to the following schedule:

License Holder Annual Revenue	License Fee
less than or equal to \$10,000	<del>\$200</del> <u>\$250</u>
greater than \$10,000 but less than or equal to \$25,000	<del>\$300</del> <u>\$375</u>
greater than \$25,000 but less than or equal to \$50,000	<del>\$400</del> <u>\$500</u>
greater than \$50,000 but less than or equal to \$100,000	<del>\$500</del> <u>\$625</u>
greater than \$100,000 but less than or equal to \$150,000	<del>\$600</del> <u>\$750</u>
greater than \$150,000 but less than or equal to \$200,000	<del>\$800</del> <u>\$1,000</u>
greater than \$200,000 but less than or equal to \$250,000	<del>\$1,000</del> <u>\$1,250</u>
greater than \$250,000 but less than or equal to \$300,000	<del>\$1,200</del> <u>\$1,500</u>
greater than \$300,000 but less than or equal to \$350,000	<del>\$1,400</del> <u>\$1,750</u>
greater than \$350,000 but less than or equal to \$400,000	<del>\$1,600</del> <u>\$2,000</u>
greater than \$400,000 but less than or equal to \$450,000	<del>\$1,800</del> <u>\$2,250</u>

greater than \$450,000 but less than or equal to \$500,000	<del>\$2,000</del> <u>\$2,500</u>
greater than \$500,000 but less than or equal to \$600,000	<del>\$2,250</del> <u>\$2,850</u>
greater than \$600,000 but less than or equal to \$700,000	<del>\$2,500</del> <u>\$3,200</u>
greater than \$700,000 but less than or equal to \$800,000	<del>\$2,750</del> <u>\$3,600</u>
greater than \$800,000 but less than or equal to \$900,000	<del>\$3,000</del> <u>\$3,900</u>
greater than \$900,000 but less than or equal to \$1,000,000	<del>\$3,250</del> <u>\$4,250</u>
greater than \$1,000,000 but less than or equal to \$1,250,000	<del>\$3,500</del> <u>\$4,550</u>
greater than \$1,250,000 but less than or equal to \$1,500,000	<del>\$3,750</del> <u>\$4,900</u>
greater than \$1,500,000 but less than or equal to \$1,750,000	<del>\$4,000</del> <u>\$5,200</u>
greater than \$1,750,000 but less than or equal to \$2,000,000	<del>\$4,250</del> <u>\$5,500</u>
greater than \$2,000,000 but less than or equal to \$2,500,000	<del>\$4,500</del> <u>\$5,900</u>
greater than \$2,500,000 but less than or equal to \$3,000,000	<del>\$4,750</del> <u>\$6,200</u>
greater than \$3,000,000 but less than or equal to \$3,500,000	<del>\$5,000</del> <u>\$6,500</u>
greater than \$3,500,000 but less than or equal to \$4,000,000	<del>\$5,500</del> <u>\$7,200</u>
greater than \$4,000,000 but less than or equal to \$4,500,000	<del>\$6,000</del> <u>\$7,800</u>
greater than \$4,500,000 but less than or equal to \$5,000,000	<del>\$6,500</del> <u>\$9,000</u>
greater than \$5,000,000 but less than or equal to \$7,500,000	<del>\$7,000</del> <u>\$10,000</u>
greater than \$7,500,000 but less than or equal to \$10,000,000	<del>\$8,500</del> <u>\$14,000</u>
greater than \$10,000,000 but less than or equal to \$12,500,000	<del>\$10,000</del> <u>\$18,000</u>
greater than \$12,500,000 but less than or equal to \$15,000,000	<del>\$14,000</del> <u>\$25,000</u>
greater than \$15,000,000 <u>but less than or equal to \$17,500,000</u>	<del>\$18,000</del> <u>\$28,000</u>
<u>greater than \$17,500,000 but less than \$20,000,000</u>	<u>\$32,000</u>
<u>greater than \$20,000,000 but less than \$25,000,000</u>	<u>\$36,000</u>
<u>greater than \$25,000,000 but less than \$30,000,000</u>	<u>\$45,000</u>
<u>greater than \$30,000,000 but less than \$35,000,000</u>	<u>\$55,000</u>
<u>greater than \$35,000,000</u>	<u>\$75,000</u>

(2) If requested, the license holder shall provide the commissioner information to verify the license holder's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(3) At each annual renewal, a license holder may elect to pay the highest renewal fee, and not provide annual revenue information to the commissioner.

(4) A license holder that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(b) A residential substance use disorder treatment program licensed under chapter 245G, to provide substance use disorder treatment shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	<del>\$600</del> <u>\$2,600</u>
25 to 49 persons	<del>\$800</del> <u>\$3,000</u>
50 to 74 persons	<del>\$1,000</del> <u>\$5,000</u>
75 to 99 persons	<del>\$1,200</del> <u>\$10,000</u>
100 <del>or more persons</del> <u>to 199 persons</u>	<del>\$1,400</del> <u>\$15,000</u>
<u>200 or more persons</u>	<u>\$20,000</u>

(c) A nonresidential substance use disorder treatment program licensed under chapter 245G to provide substance use disorder treatment shall pay an annual nonrefundable license fee of \$2,600.

~~(e)~~ (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	<del>\$760</del> <u>\$2,600</u>
25 to 49 persons	<del>\$960</del> <u>\$3,000</u>
50 or more persons	<del>\$1,160</del> <u>\$5,000</u>

A detoxification program that also operates a withdrawal management program at the same location shall only pay one fee based upon the licensed capacity of the program with the higher overall capacity.

~~(d)~~ (e) A children's residential facility licensed under Minnesota Rules, chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$1,000
25 to 49 persons	\$1,100
50 to 74 persons	\$1,200
75 to 99 persons	\$1,300
100 or more persons	\$1,400

~~(e)~~ (f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license fee based on the following schedule:



Licensed Capacity	License Fee
1 to 24 persons	<del>\$2,525</del> <u>\$2,600</u>
<del>25 or more persons</del> <u>to 49 persons</u>	<del>\$2,725</del> <u>\$3,000</u>
<u>50 or more persons</u>	<u>\$20,000</u>

~~(g)~~ (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$450
25 to 49 persons	\$650
50 to 74 persons	\$850
75 to 99 persons	\$1,050
100 or more persons	\$1,250

~~(g)~~ (h) A program licensed as an adult day care center licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$500
25 to 49 persons	\$700
50 to 74 persons	\$900
75 to 99 persons	\$1,100
100 or more persons	\$1,300

~~(h)~~ (i) A program licensed to provide treatment services to persons with sexual psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

~~(i)~~ (j) A mental health clinic certified under section 245I.20 shall pay an annual nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a primary location with satellite facilities, the satellite facilities shall be certified with the primary location without an additional charge.

(k) If a program subject to annual fees under paragraph (b), (c), (d), or (f) provides services at a primary location with satellite facilities, the satellite facilities shall be licensed with the primary location and shall be subject to an additional \$500 annual nonrefundable license fee per satellite facility.

Sec. 14. Minnesota Statutes 2024, section 245A.10, subdivision 8, is amended to read:

Subd. 8. **Deposit of license fees.** A human services licensing and program integrity account is created in the state government special revenue fund. Fees collected under subdivisions 3 and 4 must be deposited in the human services licensing and program integrity account and are annually appropriated to the commissioner for licensing activities authorized under this chapter and program integrity activities.

Sec. 15. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to read:

Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims, submissions must follow the guidelines in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology to determine the appropriate units of time to report.

(b) More than half the duration of a time-based code must be spent performing the service to be eligible under this section. Any provision of service during the remaining balance of the unit of time is not eligible for any other claims submission and would be considered a duplicative claim submission.

(c) A provider may only round up to the next whole number of service units on a submitted claim when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

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

Sec. 16. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through the settlement provisions applicable to the Supplemental Nutrition Assistance Program (SNAP), MFIP, child care assistance programs, the medical assistance program, and other federal and state-funded programs.

(b) The commissioners will maintain program compliance if for any ~~three consecutive month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention investigation program guidelines, or fails to meet the cost-effectiveness standards developed by the commissioners. This result is contingent on the commissioners providing written notice, including an offer of technical assistance, within 30 days of the end of the ~~third or subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required to submit a corrective action plan to the commissioners within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action plan or, continued deviation from standards of more than ten percent after submission of a corrective action plan, will result in denial of funding for each subsequent month, or billing the county or Tribal agency for fraud prevention investigation (FPI) service provided by the commissioners, or reallocation of program grant funds, or investigative resources, or both, to other counties or Tribal agencies. The denial of funding shall apply to the general settlement received by the county or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

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

Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. **Requirements for provider enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of \$20,000 for each business location providing service;

(4) proof of workers' compensation insurance coverage identifying the business location where personal care assistance services are provided;

(5) proof of liability insurance coverage identifying the business location where personal care assistance services are provided and naming the department as a certificate holder;

(6) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(7) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

(8) a list of all training and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

(9) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section, including the requirements under subdivision 11, paragraph (d), if enhanced personal care assistance services are provided and submitted for an enhanced rate under subdivision 17a;

(10) documentation of the agency's marketing practices;

(11) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services;

(12) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation; and

(13) effective May 15, 2010, documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular personal care assistance recipient or for another personal care assistance provider agency after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before submitting an application for enrollment of the agency as a provider. All personal care assistance provider agencies shall also require qualified professionals to complete the training required by subdivision 13 before submitting an application for enrollment of the agency as a provider. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

(d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability insurance required by this subdivision must be maintained continuously. After initial enrollment, a provider must submit proof of bonds and required coverages at any time at the request of the commissioner. Services provided while there are lapses in coverage are not eligible for payment. Lapses in coverage may result in sanctions, including termination. The commissioner shall send instructions and a due date to submit the requested information to the personal care assistance provider agency.

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

Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 16a, is amended to read:

Subd. 16a. **Background studies.** An early intensive developmental and behavioral intervention services agency must fulfill any background studies requirements under this section by initiating a background study through the commissioner's NETStudy 2.0 system as provided under ~~sections 245C.03, subdivision 15, and 245C.10, subdivision 17~~ chapter 245C and must maintain documentation of background study requests and results.

Sec. 19. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers providing services to seniors and individuals with disabilities under chapter 256S and sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

- (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota health care program requirements;
- (2) regular reviews of provider qualifications, and including requests of proof of documentation; and
- (3) processes to gather the necessary information to determine provider qualifications.

(b) A provider shall not require or coerce any service recipient to change waiver programs or move to a different location, consistent with the informed choice and independent living policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

(c) ~~Beginning July 1, 2012, For~~ staff that provide direct contact, as defined in section 245C.02, subdivision 11, for services specified in the federally approved waiver plans, providers must meet the requirements of chapter 245C prior to providing waiver services and as part of ongoing enrollment. Upon federal approval, and maintain documentation of background study requests and results. This requirement ~~must~~ also ~~apply~~ applies to consumer-directed community supports.

(d) ~~Beginning January 1, 2014,~~ Service owners and managerial officials overseeing the management or policies of services that provide direct contact as specified in the federally approved waiver plans must meet the requirements of chapter 245C prior to reenrollment or revalidation or, for new providers, prior to initial enrollment if they have not already done so as a part of service licensure requirements.

Sec. 20. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS agency-providers must provide, at the time of enrollment, reenrollment, and revalidation as a CFSS agency-provider in a format determined by the commissioner, information and documentation that includes but is not limited to the following:

(1) the CFSS agency-provider's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid revenue in the previous calendar year is greater than \$300,000, the agency-provider must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

(6) a copy of the CFSS agency-provider's organizational chart identifying the names and roles of all owners, managing employees, staff, board of directors, and additional documentation reporting any affiliations of the directors and owners to other service providers;

(7) proof that the CFSS agency-provider has written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety, including the process for notification and resolution of participant grievances, incident response, identification and prevention of communicable diseases, and employee misconduct;

(8) proof that the CFSS agency-provider has all of the following forms and documents:

(i) a copy of the CFSS agency-provider's time sheet; and

- (ii) a copy of the participant's individual CFSS service delivery plan;
  - (9) a list of all training and classes that the CFSS agency-provider requires of its staff providing CFSS services;
  - (10) documentation that the CFSS agency-provider and staff have successfully completed all the training required by this section;
  - (11) documentation of the agency-provider's marketing practices;
  - (12) disclosure of ownership, leasing, or management of all residential properties that are used or could be used for providing home care services;
  - (13) documentation that the agency-provider will use at least the following percentages of revenue generated from the medical assistance rate paid for CFSS services for CFSS support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except 100 percent of the revenue generated by a medical assistance rate increase due to a collective bargaining agreement under section 179A.54 must be used for support worker wages and benefits. The revenue generated by the worker training and development services and the reasonable costs associated with the worker training and development services shall not be used in making this calculation; and
  - (14) documentation that the agency-provider does not burden participants' free exercise of their right to choose service providers by requiring CFSS support workers to sign an agreement not to work with any particular CFSS participant or for another CFSS agency-provider after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.
- (b) CFSS agency-providers shall provide to the commissioner the information specified in paragraph (a).
- (c) All CFSS agency-providers shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a CFSS agency-provider do not need to repeat the required training if they are hired by another agency and they have completed the training within the past three years. CFSS agency-provider billing staff shall complete training about CFSS program financial management. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency.
- (d) Agency-providers shall submit all required documentation in this section within 30 days of notification from the commissioner. If an agency-provider fails to submit all the required documentation, the commissioner may take action under subdivision 23a.

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

## ARTICLE 7 DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2024, section 246.54, subdivision 1a, is amended to read:

Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the following schedule:

- (1) zero percent for the first 30 days;

(2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate for the client; and

(3) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged.

(b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause (2), the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

(c) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not responsible for the cost of care under paragraph (a), clause (3), for a person who is committed as a person who has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting transfer to another state-operated facility or program. This paragraph expires ~~March 31, 2025~~ June 30, 2027.

(d) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not responsible for the cost of care under paragraph (a), clause (3), for a person who is civilly committed, if the client is awaiting transfer:

(1) to a facility operated by the Department of Corrections; or

(2) to another state-operated facility or program, and the Direct Care and Treatment executive medical director's office or a designee has determined that:

(i) the client meets criteria for admission to that state-operated facility or program; and

(ii) the state-operated facility or program is the only facility or program that can reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2027.

(e) Notwithstanding any law to the contrary, the client is not responsible for payment of the cost of care under this subdivision.

**EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

Sec. 2. Minnesota Statutes 2024, section 246.54, subdivision 1b, is amended to read:

Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost of care provided at state-operated community-based behavioral health hospitals for adults and children shall be according to the following schedule:

(1) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged; and

(2) the county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

(b) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not responsible for the cost of care under paragraph (a), clause (1), for a person committed as a person who has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting transfer to another state-operated facility or program. This paragraph expires ~~March 31, 2025~~ June 30, 2027.

(c) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not responsible for the cost of care under paragraph (a), clause (1), for a person who is civilly committed, if the client is awaiting transfer:

(1) to a facility operated by the Department of Corrections; or

(2) to another state-operated facility or program, and the Direct Care and Treatment executive medical director's office or a designee has determined that:

(i) the client meets criteria for admission to that state-operated facility or program; and

(ii) the state-operated facility or program is the only facility or program that can reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2027.

(d) Notwithstanding any law to the contrary, the client is not responsible for payment of the cost of care under this subdivision.

**EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

Sec. 3. Minnesota Statutes 2024, section 246B.10, is amended to read:

**246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

(a) The civilly committed sex offender's county shall pay to the state a portion of the cost of care provided in the Minnesota Sex Offender Program to a civilly committed sex offender who has legally settled in that county.

(b) A county's payment must be made from the county's own sources of revenue and payments must:

(1) equal ten percent of the cost of care, as determined by the executive board, for each day or portion of a day that the civilly committed sex offender spends at the facility for individuals admitted to the Minnesota Sex Offender Program before August 1, 2011; or

(2) equal 25 percent of the cost of care, as determined by the executive board, for each day or portion of a day that the civilly committed sex offender:

(i) spends at the facility for individuals admitted to the Minnesota Sex Offender Program on or after August 1, 2011; or

(ii) receives services within a program operated by the Minnesota Sex Offender Program while on provisional discharge.

This paragraph expires June 30, 2027.

(c) The county is responsible for paying the state the remaining amount if payments received by the state under this chapter exceed:

(1) 90 percent of the cost of care for individuals admitted to the Minnesota Sex Offender Program before August 1, 2011; or

(2) 75 percent of the cost of care for individuals:

(i) admitted to the Minnesota Sex Offender Program on or after August 1, 2011; or



(ii) receiving services within a program operated by the Minnesota Sex Offender Program while on provisional discharge.

This paragraph expires June 30, 2027.

(d) The county is not entitled to reimbursement from the civilly committed sex offender, the civilly committed sex offender's estate, or from the civilly committed sex offender's relatives, except as provided in section 246B.07.

(e) Effective July 1, 2027, a county's payment must be made from the county's own sources of revenue and payments must equal 40 percent of the cost of care as determined by the executive board for each day or portion of a day that the civilly committed sex offender spends at the facility or receives services within a program operated by the Minnesota Sex Offender Program while on provisional discharge.

(f) Effective July 1, 2027, the county is responsible for paying the state the remaining amount if payments received by the state under this chapter exceed 60 percent of the cost of care for individuals.

Sec. 4. Minnesota Statutes 2024, section 246C.091, subdivision 3, is amended to read:

Subd. 3. **Direct Care and Treatment systems account.** (a) The Direct Care and Treatment systems account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the Direct Care and Treatment executive board and may be used for security systems and information technology projects, services, and support under the control of the executive board.

(b) The commissioner of human services shall transfer all money allocated to the Direct Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment systems account by June 30, 2026.

(c) Beginning July 1, 2025, and each fiscal year thereafter, \$5,000,000 of general fund cost of care collections under section 246.18, subdivision 4, shall be deposited into the Direct Care and Treatment systems account to support the Direct Care and Treatment electronic health record system and information technology projects.

Sec. 5. Minnesota Statutes 2024, section 256G.08, subdivision 1, is amended to read:

Subdivision 1. **Commitment and competency proceedings.** In cases of voluntary admission, ~~or~~ commitment to state or other institutions, or criminal orders for inpatient examination or participation in a competency attainment program under chapter 611, the committing county or the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 is issued shall initially pay for all costs. This includes the expenses of the taking into custody, confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07, examination, commitment, conveyance to the place of detention, rehearing, and hearings under section sections 253B.092 and 611.47, including hearings held under that section which those sections that are venued outside the county of commitment or the county of the chapter 611 competency proceedings order.

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

Sec. 6. Minnesota Statutes 2024, section 256G.08, subdivision 2, is amended to read:

Subd. 2. **Responsibility for nonresidents.** If a person committed, ~~or~~ voluntarily admitted to a state institution, or ordered for inpatient examination or participation in a competency attainment program under chapter 611 has no residence in this state, financial responsibility belongs to the county of commitment or the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 was issued.

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

Sec. 7. Minnesota Statutes 2024, section 256G.09, subdivision 1, is amended to read:

Subdivision 1. **General procedures.** If upon investigation the local agency decides that the application, ~~or commitment, or first criminal order under chapter 611~~ was not filed in the county of financial responsibility as defined by this chapter, but that the applicant is otherwise eligible for assistance, it shall send a copy of the application, ~~or commitment claim, or chapter 611 claim~~ together with the record of any investigation it has made, to the county it believes is financially responsible. The copy and record must be sent within 60 days of the date the application was approved or the claim was paid. The first local agency shall provide assistance to the applicant until financial responsibility is transferred under this section.

The county receiving the transmittal has 30 days to accept or reject financial responsibility. A failure to respond within 30 days establishes financial responsibility by the receiving county.

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

Sec. 8. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe it is financially responsible, it should provide to the commissioner of human services and the initially responsible county a statement of all facts and documents necessary for the commissioner to make the requested determination of financial responsibility. The submission must clearly state the program area in dispute and must state the specific basis upon which the submitting county is denying financial responsibility.

(b) The initially responsible county then has 15 calendar days to submit its position and any supporting evidence to the commissioner. The absence of a submission by the initially responsible county does not limit the right of the commissioner of human services or Direct Care and Treatment executive board to issue a binding opinion based on the evidence actually submitted.

(c) A case must not be submitted until the local agency taking the application, ~~or making the commitment, or residing in the county from which the first criminal order under chapter 611 was issued~~ has made an initial determination about eligibility and financial responsibility, and services have been initiated. This paragraph does not prohibit the submission of closed cases that otherwise meet the applicable statute of limitations.

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

Sec. 9. Minnesota Statutes 2024, section 611.43, is amended by adding a subdivision to read:

Subd. 5. **Costs related to confined treatment.** (a) When a defendant is ordered to participate in an examination in a treatment facility, a locked treatment facility, or a state-operated treatment facility under subdivision 1, paragraph (b), the facility shall bill the responsible health plan first. The county in which the criminal charges are filed is responsible to pay any charges not covered by the health plan, including co-pays and deductibles. If the defendant has health plan coverage and is confined in a hospital, but the hospitalization does not meet the criteria in section 62M.07, subdivision 2, clause (1); 62Q.53; 62Q.535, subdivision 1; or 253B.045, subdivision 6, the county in which criminal charges are filed is responsible for payment.

(b) The Direct Care and Treatment executive board shall determine the cost of confinement in a state-operated treatment facility based on the executive board's determination of cost of care pursuant to section 246.50, subdivision 5.

Sec. 10. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

Subdivision 1. **Order to competency attainment program.** (a) If the court finds the defendant incompetent and the charges have not been dismissed, the court shall order the defendant to participate in a program to assist the defendant in attaining competency. The court may order participation in a competency attainment program provided outside of a jail, a jail-based competency attainment program, or an alternative program. The court must determine the least-restrictive program appropriate to meet the defendant's needs and public safety. In making this determination, the court must consult with the forensic navigator and consider any recommendations of the court examiner. The court shall not order a defendant to participate in a jail-based program or a state-operated treatment program if the highest criminal charge is a targeted misdemeanor.

(b) If the court orders the defendant to a locked treatment facility or jail-based program, the court must calculate the defendant's custody credit and cannot order the defendant to a locked treatment facility or jail-based program for a period that would cause the defendant's custody credit to exceed the maximum sentence for the underlying charge.

(c) The court may only order the defendant to participate in competency attainment at an inpatient or residential treatment program under this section if the head of the treatment program determines that admission to the program is clinically appropriate and consents to the defendant's admission. The court may only order the defendant to participate in competency attainment at a state-operated treatment facility under this section if the Direct Care and Treatment executive board or a designee determines that admission of the defendant is clinically appropriate and consents to the defendant's admission. The court may require a competency program that qualifies as a locked facility or a state-operated treatment program to notify the court in writing of the basis for refusing consent for admission of the defendant in order to ensure transparency and maintain an accurate record. The court may not require personal appearance of any representative of a competency program. The court shall send a written request for notification to the locked facility or state-operated treatment program and the locked facility or state-operated treatment program shall provide a written response to the court within ten days of receipt of the court's request.

(d) If the defendant is confined in jail and has not received competency attainment services within 30 days of the finding of incompetency, the court shall review the case with input from the prosecutor and defense counsel and may:

(1) order the defendant to participate in an appropriate competency attainment program that takes place outside of a jail;

(2) order a conditional release of the defendant with conditions that include but are not limited to a requirement that the defendant participate in a competency attainment program when one becomes available and accessible;

(3) make a determination as to whether the defendant is likely to attain competency in the reasonably foreseeable future and proceed under section 611.49; or

(4) upon a motion, dismiss the charges in the interest of justice.

(e) The court may order any hospital, treatment facility, or correctional facility that has provided care or supervision to a defendant in the previous two years to provide copies of the defendant's medical records to the competency attainment program or alternative program in which the defendant was ordered to participate. This information shall be provided in a consistent and timely manner and pursuant to all applicable laws.

(f) If at any time the defendant refuses to participate in a competency attainment program or an alternative program, the head of the program shall notify the court and any entity responsible for supervision of the defendant.

(g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, and any entity responsible for the supervision of the defendant prior to any planned discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge if the defendant is not being discharged to jail or a correctional facility. Upon the receipt of notification of discharge or upon the request of either party in response to notification of discharge, the court may order that a defendant who is subject to bail or unmet conditions of release be returned to jail upon being discharged from the program or facility. If the court orders a defendant returned to jail, the court shall notify the parties and head of the program at least one day before the defendant's planned discharge, except in the event of an emergency discharge where one day notice is not possible. The court must hold a review hearing within seven days of the defendant's return to jail. The forensic navigator must be given notice of the hearing and be allowed to participate.

(h) If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

(i) If the defendant is ordered to participate in an inpatient or residential competency attainment or alternative program, the program or facility must notify the court, prosecutor, defense counsel, forensic navigator, and any entity responsible for the supervision of the defendant if the defendant is placed on a leave or elopement status from the program and if the defendant returns to the program from a leave or elopement status.

(j) Defense counsel, prosecutors, and forensic navigators must have access to information relevant to a defendant's participation and treatment in a competency attainment program or alternative program, including but not limited to discharge planning.

Sec. 11. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to read:

Subd. 5. **Data access.** Forensic navigators must have access to all data collected, created, or maintained by a competency attainment program or an alternative program regarding a defendant in order for navigators to carry out their duties under this section. A competency attainment program or alternative program may request a copy of the court order appointing the forensic navigator before disclosing any private information about a defendant.

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

## ARTICLE 8 HOMELESSNESS, HOUSING, AND SUPPORT SERVICES

Section 1. Minnesota Statutes 2024, section 256B.051, subdivision 6, is amended to read:

Subd. 6. **Provider qualifications and duties.** A provider eligible for reimbursement under this section shall:

(1) enroll as a medical assistance Minnesota health care program provider and meet all applicable provider standards and requirements;

(2) demonstrate compliance with federal and state laws and policies for housing stabilization services as determined by the commissioner;

(3) comply with background study requirements under chapter 245C and maintain documentation of background study requests and results;

(4) directly provide housing stabilization services and not use a subcontractor or reporting agent; ~~and~~

(5) complete annual vulnerable adult training; and

(6) complete compliance training as required under subdivision 6a.

Sec. 2. Minnesota Statutes 2024, section 256B.051, is amended by adding a subdivision to read:

Subd. 6a. **Requirements for provider enrollment.** (a) Effective January 1, 2027, to enroll as a housing stabilization services provider agency, an agency must require all owners of the agency who are active in the day-to-day management and operations of the agency and managerial and supervisory employees to complete compliance training before applying for enrollment and every three years thereafter. Mandatory compliance training format and content must be determined by the commissioner and must include the following topics:

(1) state and federal program billing, documentation, and service delivery requirements;

(2) enrollment requirements;

(3) provider program integrity, including fraud prevention, detection, and penalties;

(4) fair labor standards;

(5) workplace safety requirements; and

(6) recent changes in service requirements.

(b) New owners active in day-to-day management and operations of the agency and managerial and supervisory employees must complete compliance training under this subdivision to be employed by or conduct management and operations activities for the agency. If an individual moves to another housing stabilization services provider agency and serves in a similar ownership or employment capacity, the individual is not required to repeat the training required under this subdivision if the individual documents completion of the training within the past three years.

(c) Any housing stabilization services provider agency enrolled before January 1, 2027, must complete the compliance training by January 1, 2028, and every three years thereafter.

Sec. 3. Minnesota Statutes 2024, section 256I.03, subdivision 11a, is amended to read:

Subd. 11a. **MSA equivalent rate.** "MSA equivalent rate" means an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for MSA recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

(2) the maximum allotment authorized by the federal Supplemental Nutrition Assistance Program (SNAP) for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

The MSA equivalent rate ~~is to~~ shall be adjusted on the first day of July each year to reflect ~~changes~~ increases in any of the component rates under clauses (1) to (3).

Sec. 4. Minnesota Statutes 2024, section 256I.05, subdivision 1d, is amended to read:

Subd. 1d. **Certain facilities for mental illness or substance use disorder; supplementary rates.** ~~Notwithstanding the provisions of subdivisions 1a and 1e,~~ A county agency may negotiate a supplementary service rate in addition to the ~~board and lodging~~ rate ~~under subdivision 1, not to exceed the maximum rate allowed under subdivision 1a,~~ for facilities licensed and registered by the Minnesota Department of Health under section 157.17 prior to December 31, 1996, if the facility meets the following criteria:

(1) at least 75 percent of the residents have a primary diagnosis of mental illness, substance use disorder, or both, and have related special needs;

(2) the facility provides 24-hour, on-site, year-round supportive services by qualified staff capable of intervention in a crisis of persons with late-state inebriety or mental illness who are vulnerable to abuse or neglect;

(3) the services at the facility include, but are not limited to:

(i) secure central storage of medication;

(ii) reminders and monitoring of medication for self-administration;

(iii) support for developing an individual medical and social service plan, updating the plan, and monitoring compliance with the plan; and

(iv) assistance with setting up meetings, appointments, and transportation to access medical, chemical health, and mental health service providers;

(4) each resident has a documented need for at least one of the services provided;

(5) each resident has been offered an opportunity to apply for admission to a licensed residential treatment program for mental illness, substance use disorder, or both, have refused that offer, and the offer and their refusal has been documented to writing; and

(6) the residents are not eligible for home and community-based services waivers because of their unique need for community support.

~~Until June 30, 2002, the supplementary service rate of qualifying facilities under this subdivision may be increased by up to 15 percent of the supplementary service rate in effect on January 1, 2001, for the facility. Qualifying facilities with no supplementary service rate may negotiate a supplementary service rate not to exceed \$300 per month.~~

Sec. 5. Minnesota Statutes 2024, section 256I.05, subdivision 1e, is amended to read:

Subd. 1e. **Supplementary rate for certain facilities.** (a) ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2005,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider that:

(1) is located in Hennepin County and has had a housing support contract with the county since June 1996;

(2) operates in three separate locations a 75-bed facility, a 50-bed facility, and a 26-bed facility; and

(3) serves a clientele with substance use disorder, providing 24 hours per day supervision and limiting a resident's maximum length of stay to 13 months out of a consecutive 24-month period.

(b) ~~Notwithstanding subdivisions 1a and 1c,~~ A county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized inflationary adjustments, of~~ the maximum rate allowed under subdivision 1a, for a housing support provider that:

(1) is located in St. Louis County and has had a housing support contract with the county since 2006;

(2) operates a 62-bed facility; and

(3) serves an adult male clientele with substance use disorder, providing 24 hours per day supervision and limiting a resident's maximum length of stay to 13 months out of a consecutive 24-month period.

(c) ~~Notwithstanding subdivisions 1a and 1c, beginning July 1, 2013,~~ A county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for the provider described under paragraphs (a) and (b), not to exceed an additional 115 beds.

Sec. 6. Minnesota Statutes 2024, section 256I.05, subdivision 1f, is amended to read:

Subd. 1f. **Supplementary service rate increases on or after July 1, 2001.** ~~Until June 30, 2002, the supplementary service rate for recipients of assistance under section 256I.04 who reside in~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a, for a residence that is licensed by the commissioner of health as a boarding care home but is not certified for purposes of the medical assistance program ~~may be increased by up to 32 percent of the supplementary service rate in effect for that facility on January 1, 2001. The new rate shall not exceed the nonfederal share of the statewide weighted average monthly medical assistance nursing facility payment rate for case mix A in effect on January 1, 2001.~~

Sec. 7. Minnesota Statutes 2024, section 256I.05, subdivision 1g, is amended to read:

Subd. 1g. **Supplementary service rate for certain facilities.** An agency may negotiate a supplementary service rate, not to exceed the maximum rate allowed under subdivision 1a, for recipients of assistance under section 256I.04, subdivision 1, paragraph (a) or (b), who have experienced long-term homelessness and who live in a supportive housing establishment under section 256I.04, subdivision 2a, paragraph (b), clause (2).

Sec. 8. Minnesota Statutes 2024, section 256I.05, subdivision 1h, is amended to read:

Subd. 1h. **Supplementary rate for certain facilities serving males with substance use disorder.** ~~Notwithstanding subdivisions 1a and 1c, beginning July 1, 2007,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$737.87 per month, including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider that:

(1) is located in Ramsey County and has had a housing support contract with the county since 1982 and has been licensed as a board and lodge facility with special services since 1979; and

(2) serves males with and recovering from substance use disorder, providing 24-hour-a-day supervision.

Sec. 9. Minnesota Statutes 2024, section 256I.05, subdivision 1i, is amended to read:

Subd. 1i. **Supplementary rate for certain facilities; Hennepin County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2007,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized inflationary adjustments, up to the available appropriation~~ the maximum rate allowed under subdivision 1a, for a facility located in Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility and that until August 1, 2007, operated as a licensed substance use disorder treatment program.

Sec. 10. Minnesota Statutes 2024, section 256I.05, subdivision 1j, is amended to read:

Subd. 1j. **Supplementary rate for certain facilities; Crow Wing County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2007,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a ~~new~~ 65-bed facility in Crow Wing County that ~~will serve~~ serves persons with substance use disorder operated by a housing support provider that currently operates a 304-bed facility in Minneapolis and a 44-bed facility in Duluth which opened in January of 2006.

Sec. 11. Minnesota Statutes 2024, section 256I.05, subdivision 1k, is amended to read:

Subd. 1k. **Supplementary rate for certain facilities; Stearns, Sherburne, or Benton County.** ~~Notwithstanding the provisions of this section, beginning July 1, 2009,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in Stearns, Sherburne, or Benton County that operates a 40-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with substance use disorder, providing 24-hour-a-day supervision.

Sec. 12. Minnesota Statutes 2024, section 256I.05, subdivision 1l, is amended to read:

Subd. 1l. **Supplementary rate for certain facilities; St. Louis County.** ~~Notwithstanding the provisions of this section, beginning July 1, 2007,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in St. Louis County that operates a 30-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with substance use disorder, providing 24-hour-a-day supervision.

Sec. 13. Minnesota Statutes 2024, section 256I.05, subdivision 1m, is amended to read:

Subd. 1m. **~~Supplemental~~ Supplementary rate for certain facilities; Hennepin and Ramsey Counties.** ~~Notwithstanding the provisions of this section, beginning July 1, 2007,~~ A county agency shall negotiate a ~~supplemental~~ supplementary service rate in addition to the rate specified in subdivision 1, not to exceed the maximum rate in subdivision 1a ~~or the existing monthly rate, whichever is higher, including any legislatively authorized inflationary adjustments~~, for a housing support provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, which provide community support and serve the mental health needs of individuals who have chronically lived unsheltered, providing 24-hour-per-day supervision.



Sec. 14. Minnesota Statutes 2024, section 256I.05, subdivision 1n, is amended to read:

Subd. 1n. **Supplemental Supplementary rate; Mahnomen County.** ~~Notwithstanding the provisions of this section, for the rate period July 1, 2010, to June 30, 2011,~~ A county agency shall negotiate a ~~supplemental supplementary~~ service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$753 per month or the existing rate, including any legislative authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in Mahnomen County that operates a 28-bed facility providing 24-hour care to individuals who are homeless, disabled, mentally ill, chronically homeless, or have substance use disorder.

Sec. 15. Minnesota Statutes 2024, section 256I.05, subdivision 1p, is amended to read:

Subd. 1p. **Supplementary rate; St. Louis County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider that:

- (1) is located in St. Louis County and has had a housing support contract with the county since July 2016;
- (2) operates a 35-bed facility;
- (3) serves women who have substance use disorder, mental illness, or both;
- (4) provides 24-hour per day supervision;
- (5) provides on-site support with skilled professionals, including a licensed practical nurse, registered nurses, peer specialists, and resident counselors; and
- (6) provides independent living skills training and assistance with family reunification.

Sec. 16. Minnesota Statutes 2024, section 256I.05, subdivision 1q, is amended to read:

Subd. 1q. **Supplemental Supplementary rate; Olmsted County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$750 per month, including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in Olmsted County that operates long-term residential facilities with a total of 104 beds that serve men and women with substance use disorder and provide 24-hour-a-day supervision and other support services.

Sec. 17. Minnesota Statutes 2024, section 256I.05, subdivision 1r, is amended to read:

Subd. 1r. **Supplemental Supplementary rate; Anoka County.** ~~Notwithstanding the provisions in this section,~~ A county agency shall negotiate a ~~supplemental~~ supplementary service rate for 42 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, ~~including any legislatively authorized inflationary adjustments~~, for a housing support provider that is located in Anoka County and provides emergency housing on the former Anoka Regional Treatment Center campus.

Sec. 18. Minnesota Statutes 2024, section 256I.05, subdivision 1s, is amended to read:

Subd. 1s. **Supplemental Supplementary rate; Douglas County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2023,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$750 per month, including any legislatively authorized~~

~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in Douglas County that operates a long-term residential facility with a total of 74 beds that serve chemically dependent men and provide 24-hour-a-day supervision and other support services.

Sec. 19. Minnesota Statutes 2024, section 256I.05, subdivision 1t, is amended to read:

Subd. 1t. **Supplemental Supplementary rate; Crow Wing County.** ~~Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2023,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, ~~including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in Crow Wing County that operates a long-term residential facility with a total of 90 beds that serves chemically dependent men and women and provides 24-hour-a-day supervision and other support services.

Sec. 20. Minnesota Statutes 2024, section 256I.05, subdivision 1u, is amended to read:

Subd. 1u. **Supplemental Supplementary rate; Douglas County.** ~~Notwithstanding the provisions in this section, beginning July 1, 2023,~~ A county agency shall negotiate a ~~supplemental~~ supplementary service rate for up to 20 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, ~~including any legislatively authorized inflationary adjustments,~~ for a housing support provider located in Douglas County that operates two facilities and provides room and board and supplementary services to adult males recovering from substance use disorder, mental illness, or housing instability.

Sec. 21. Minnesota Statutes 2024, section 256I.05, subdivision 2, is amended to read:

Subd. 2. **Monthly rates; exemptions.** ~~This subdivision applies to~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a, for a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0670. ~~Notwithstanding the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision shall be determined under chapter 256R, if the facility is accepted by the commissioner for participation in the alternative payment demonstration project.~~ The rate paid to this facility shall also include adjustments to the room and board rate according to subdivision 1.

Sec. 22. **[256K.50] EMERGENCY SHELTER FACILITIES.**

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code, or housing and redevelopment authority established under section 469.003.

(d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and families experiencing homelessness, regardless of whether the facility provides emergency shelter during the day, overnight, or both.

Subd. 2. **Project criteria.** The commissioner shall prioritize grants under this section for projects that improve or expand emergency shelter facility options by:

(1) adding additional emergency shelter facilities by renovating existing facilities not currently operating as emergency shelter facilities;

(2) adding additional emergency shelter facility beds by renovating existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure;

(3) adding additional emergency shelter facility beds through acquisition and construction of new emergency shelter facilities;

(4) improving the safety, sanitation, accessibility, and habitability of existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure; and

(5) improving access to emergency shelter facilities that provide culturally appropriate shelter and gender-inclusive shelter.

Subd. 3. **Eligible uses of grant money.** A grant under this section may be used to pay for 100 percent of total project capital expenditures or a specified project phase, up to \$300,000 per project.

Subd. 4. **State and local building codes met.** All projects funded with a grant under this section must meet all applicable state and local building codes at the time of project completion.

Subd. 5. **Competitive request for proposal process; priority.** (a) The commissioner must use a competitive request for proposal process to identify potential projects and eligible applicants on a statewide basis. At least 40 percent of the appropriation for this purpose must be awarded to projects located in greater Minnesota. If the commissioner does not receive sufficient eligible funding requests from greater Minnesota to award at least 40 percent of the appropriation for this purpose to projects in greater Minnesota, the commissioner may award the remaining money to other eligible projects.

(b) For eligible applicants seeking funding under this section for the acquisition and construction of new emergency shelter facilities under subdivision 2, clause (3), the commissioner must give priority to projects in which the eligible applicant will provide at least ten percent of total project funding.

#### Sec. 23. **HOUSING SUPPORT BACKGROUND STUDY EVALUATION.**

(a) The commissioner of human services shall conduct an evaluation of background study requirements outlined in Minnesota Statutes, sections 245C.03, subdivision 10, and 256I.04, subdivision 2c, to:

(1) assess the impact of eligibility, disqualifications, and processing times on supportive housing and emergency shelter providers;

(2) determine the applicability of alternative background study methods to protect the individuals served by supportive housing and emergency shelter programs; and

(3) make recommendations for reforms that address inefficiencies or weaknesses that prevent qualified individuals from providing services or securing employment.

(b) The commissioner shall contract with an independent contractor to complete the evaluation and submit a report to the Department of Human Services.

(c) Evaluation findings shall be summarized in a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over supportive housing and human services licensing by December 1, 2027.

Sec. 24. **DIRECTION TO COMMISSIONER; HOUSING SUPPORT TEMPORARY SUPPLEMENTARY SERVICE RATES.**

The commissioner of human services shall increase housing support supplementary services rates under Minnesota Statutes, section 256I.05, subdivision 1a, within available appropriations for fiscal years 2026 and 2027.

Sec. 25. **DIRECTION TO COMMISSIONER; INDIAN HEALTH SERVICE ENCOUNTER RATE.**

The commissioner of human services must submit a state plan amendment to the Centers for Medicare and Medicaid Services authorizing housing services as a new service category eligible for reimbursement at the outpatient per-day rate approved by the Indian Health Service. This reimbursement is limited to services provided by facilities of the Indian Health Service and facilities owned or operated by a Tribe or Tribal organization. For the purposes of this section, "housing services" means housing stabilization services as described in Minnesota Statutes, section 256B.051, subdivision 5, paragraphs (a) to (d).

ARTICLE 9  
MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment of long-term care services, a recipient must be determined, using assessments defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

- (1) the person requires formal clinical monitoring at least once per day;
- (2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;
- (3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;
- (4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention;
- (5) the person has had a qualifying nursing facility stay of at least 90 days;
- (6) the person meets the nursing facility level of care criteria determined 90 days after admission or on the first quarterly assessment after admission, whichever is later; or
- (7) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone or be homeless without the person's current housing and also meets one of the following criteria:
  - (i) the person has experienced a fall resulting in a fracture;
  - (ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect; or

(iii) the person has a sensory impairment that substantially impacts functional ability and maintenance of a community residence.

(b) The assessment used to establish medical assistance payment for nursing facility services must be the most recent assessment performed under subdivision 4, paragraphs (b) and (c), that occurred no more than 90 calendar days before the effective date of medical assistance eligibility for payment of long-term care services. In no case shall medical assistance payment for long-term care services occur prior to the date of the determination of nursing facility level of care.

(c) The assessment used to establish medical assistance payment for long-term care services provided under chapter 256S and section 256B.49 and alternative care payment for services provided under section 256B.0913 must be the most recent face-to-face assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28, that occurred no more than ~~60 one~~ calendar ~~days~~ year before the effective date of medical assistance eligibility for payment of long-term care services.

Sec. 2. Minnesota Statutes 2024, section 256.01, subdivision 34, is amended to read:

Subd. 34. **Federal administrative reimbursement dedicated.** Federal administrative reimbursement resulting from the following activities is appropriated to the commissioner for the designated purposes:

(1) reimbursement for the Minnesota senior health options project; ~~and~~

(2) reimbursement related to prior authorization, review of medical necessity, and inpatient admission certification by a professional review organization. A portion of these funds must be used for activities to decrease unnecessary pharmaceutical costs in medical assistance; ~~and~~

(3) reimbursement for capacity building and implementation grant expenditures for the medical assistance reentry demonstration waiver under section 256B.0761.

## ARTICLE 10 FORECAST ADJUSTMENTS

### Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70, article 20, from the general fund, or any other fund named, to the commissioner of human services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2025" used in this article means that the appropriations listed are available for the fiscal year ending June 30, 2025.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2025**

### Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

#### Subdivision 1. **Total Appropriation**

**\$53,115,000**

Appropriations by Fund2025

<u>General</u>	<u>75,025,000</u>
<u>Health Care Access</u>	<u>(16,182,000)</u>
<u>Federal TANF</u>	<u>(5,285,000)</u>

Subd. 2. Forecasted Programs

(a) Minnesota Family Investment  
Program (MFIP)/Diversionary  
Work Program (DWP)

Appropriations by Fund2025

<u>General</u>	<u>(5,951,000)</u>
<u>Federal TANF</u>	<u>(5,285,000)</u>

<u>(b) MFIP Child Care Assistance</u>	<u>(62,336,000)</u>
<u>(c) General Assistance</u>	<u>3,737,000</u>
<u>(d) Minnesota Supplemental Aid</u>	<u>3,428,000</u>
<u>(e) Housing Support</u>	<u>11,923,000</u>
<u>(f) Northstar Care for Children</u>	<u>(9,526,000)</u>
<u>(g) MinnesotaCare</u>	<u>(16,182,000)</u>

This appropriation is from the health care access fund.

(h) Medical AssistanceAppropriations by Fund2025

<u>General</u>	<u>(1,735,000)</u>
<u>Health Care Access</u>	<u>(443,000)</u>

<u>(i) Behavioral Health Fund</u>	<u>135,928,000</u>
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Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 11  
DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of human services and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year 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.

	<b><u>APPROPRIATIONS</u></b> <b><u>Available for the Year</u></b> <b><u>Ending June 30</u></b>	
	<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>TOTAL APPROPRIATION</u></b>	<b><u>\$8,836,144,000</u></b>	<b><u>\$8,882,498,000</u></b>

Subdivision 1. **Appropriations by Fund**

	<b><u>2026</u></b>	<b><u>2027</u></b>
<b><u>General</u></b>	<b><u>8,782,786,000</u></b>	<b><u>8,829,140,000</u></b>
<b><u>Lottery Prize</u></b>	<b><u>163,000</u></b>	<b><u>163,000</u></b>
<b><u>State Government</u></b>	<b><u>4,273,000</u></b>	<b><u>4,273,000</u></b>
<b><u>Special Revenue</u></b>		
<b><u>Family and Medical</u></b>	<b><u>530,000</u></b>	<b><u>530,000</u></b>
<b><u>Benefit Insurance</u></b>		
<b><u>Health Care Access</u></b>	<b><u>48,922,000</u></b>	<b><u>48,922,000</u></b>
<b><u>Fund</u></b>		

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

Subd. 2. **Information Technology Appropriations**

(a) **IT Appropriations Generally**

This appropriation includes funds for information technology projects, services, and support. Funding for information technology project costs must be incorporated into the service-level agreement and paid to Minnesota IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

**(b) Receipts for Systems Project**

Appropriations and federal receipts for information technology systems projects for MAXIS, PRISM, MMIS, ISDS, METS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services, funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services deems necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

**Sec. 3. CENTRAL OFFICE; OPERATIONS****\$176,228,000****\$180,071,000**Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>156,167,000</u>	<u>160,010,000</u>
<u>State Government</u>	<u>248,000</u>	<u>248,000</u>
<u>Special Revenue</u>		
<u>Health Care Access</u>	<u>19,813,000</u>	<u>19,813,000</u>
<u>Fund</u>		
<u>Paid Family Medical</u>	<u>530,000</u>	<u>530,000</u>
<u>Leave</u>		

The general fund base for this section is \$156,589,000 in fiscal year 2028 and \$156,879,000 in fiscal year 2029.

**Sec. 4. CENTRAL OFFICE; HEALTH CARE****\$72,312,000****\$68,980,000**Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>44,144,000</u>	<u>40,812,000</u>
<u>Health Care Access</u>	<u>28,168,000</u>	<u>28,168,000</u>
<u>Fund</u>		

**Sec. 5. CENTRAL OFFICE; AGING AND DISABILITY SERVICES****\$54,438,000****\$53,025,000****Subdivision 1. Appropriations by Fund**Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>54,313,000</u>	<u>52,900,000</u>
<u>Health Care Access</u>	<u>125,000</u>	<u>125,000</u>
<u>Fund</u>		



Subd. 2. Base Level Adjustment

The general fund base for this section is \$51,632,000 in fiscal year 2028 and \$51,432,000 in fiscal year 2029.

Sec. 6. **CENTRAL OFFICE; BEHAVIORAL HEALTH** **\$24,728,000** **\$24,358,000**

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
General	<u>24,565,000</u>	<u>24,195,000</u>
Lottery Prize	<u>163,000</u>	<u>163,000</u>

The general fund base for this section is \$24,018,000 in fiscal year 2028 and \$24,018,000 in fiscal year 2029.

Sec. 7. **CENTRAL OFFICE; HOMELESSNESS, HOUSING, AND SUPPORT SERVICES** **\$6,692,000** **\$6,424,000**

The general fund base for this section is \$6,469,000 in fiscal year 2028 and \$6,469,000 in fiscal year 2029.

Sec. 8. **CENTRAL OFFICE; OFFICE OF INSPECTOR GENERAL** **\$43,786,000** **\$47,100,000**

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
General	<u>38,945,000</u>	<u>42,259,000</u>
State Government	<u>3,900,000</u>	<u>3,900,000</u>
Special Revenue		
Health Care Access	<u>941,000</u>	<u>941,000</u>
Fund		

The general fund base for this section is \$42,202,000 in fiscal year 2028 and \$42,148,000 in fiscal year 2029.

Sec. 9. **FORECASTED PROGRAMS; GENERAL ASSISTANCE GRANTS** **\$84,138,000** **\$86,462,000**

Sec. 10. **FORECASTED PROGRAMS; MINNESOTA SUPPLEMENTAL AID GRANTS** **\$67,113,000** **\$69,089,000**

Sec. 11. **FORECASTED PROGRAMS; HOUSING SUPPORT** **\$279,258,000** **\$275,009,000**

Sec. 12. **FORECASTED PROGRAMS; MEDICAL ASSISTANCE** **\$7,466,424,000** **\$7,574,388,000**

Sec. 13. **FORECASTED PROGRAMS; ALTERNATIVE CARE**

**\$55,694,000**

**\$56,312,000**

Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but must be transferred to the medical assistance account.

Sec. 14. **FORECASTED PROGRAMS; BEHAVIORAL HEALTH FUND**

**\$136,578,000**

**\$115,673,000**

Sec. 15. **GRANT PROGRAMS; REFUGEE SERVICES GRANTS**

**\$100,000**

**\$100,000**

Sec. 16. **GRANT PROGRAMS; HEALTH CARE GRANTS**

**\$(100,000)**

**\$(100,000)**

Sec. 17. **GRANT PROGRAMS; OTHER LONG-TERM CARE GRANTS**

**\$3,543,000**

**\$2,721,000**

**Supported-decision-making programs.** \$796,000 in fiscal year 2026 and \$796,000 in fiscal year 2027 are for supported-decision-making grants under Laws 2023, chapter 61, article 1, section 61, subdivision 3. This is a onetime appropriation and is available until June 30, 2027.

Sec. 18. **GRANT PROGRAMS; AGING AND ADULT SERVICES GRANTS**

**\$42,054,000**

**\$41,055,000**

Subdivision 1. **Senior Nutrition Programs**

\$1,538,000 in fiscal year 2026 and \$1,538,000 in fiscal year 2027 are for senior nutrition programs under Minnesota Statutes, section 256.9752. This is a onetime appropriation.

Subd. 2. **Dementia Grants**

\$1,000,000 in fiscal year 2026 is for regional and local dementia grants administered by the Minnesota Board on Aging under Minnesota Statutes, section 256.975, subdivision 11. This is a onetime appropriation and is available until June 20, 2027.

Subd. 3. **Base Level Adjustment**

The general fund base for this section is \$39,517,000 in fiscal year 2028 and \$39,517,000 in fiscal year 2029.

Sec. 19. **DEAF, DEAFBLIND, AND HARD OF HEARING GRANTS**

**\$2,886,000**

**\$2,886,000**

Sec. 20. **GRANT PROGRAMS; DISABILITY GRANTS**

**\$66,580,000**

**\$26,353,000**

**Subdivision 1. Self-Directed Bargaining Agreement; Orientation Start-Up Funds**

\$3,000,000 in fiscal year 2026 is for orientation program start-up costs as defined by the SEIU collective bargaining agreement. This is a onetime appropriation.

**Subd. 2. Self-Directed Bargaining Agreement; Orientation Ongoing Funds**

\$2,000,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are for ongoing costs related to the orientation program as defined by the SEIU collective bargaining agreement. The base for this appropriation is \$500,000 in fiscal year 2028 and \$500,000 in fiscal year 2029.

**Subd. 3. Self-Directed Bargaining Agreement; Training Stipends**

\$2,250,000 in fiscal year 2026 is for onetime stipends of \$750 for collective bargaining unit members for training. This is a onetime appropriation.

**Subd. 4. Self-Directed Bargaining Agreement; Retirement Trust Funds**

\$350,000 in fiscal year 2026 is for a vendor to create a retirement trust, as defined by the SEIU collective bargaining agreement. This is a onetime appropriation.

**Subd. 5. Self-Directed Bargaining Agreement; Health Care Stipends**

\$30,750,000 in fiscal year 2026 is for stipends of \$1,200 for collective bargaining unit members for retention and defraying any health insurance costs they may incur. Stipends are available once per fiscal year per member for fiscal year 2026 and fiscal year 2027. Of this amount, \$30,000,000 in fiscal year 2026 is for stipends and \$750,000 in fiscal year 2026 is for administration. This is a onetime appropriation and is available until June 30, 2027.

**Subd. 6. HIV/AIDS Supportive Services**

\$6,000,000 in fiscal year 2026 from the general fund to the commissioner of human services for grants to community-based HIV/AIDS supportive services providers as defined in Minnesota Statutes, section 256.01, subdivision 19, and for payment of allowed health care costs as defined in Minnesota Statutes, section 256.9365. This is a onetime appropriation and is available until June 30, 2027.

**Subd. 7. Disability Service Technology and Advocacy Grant**

\$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are for the purposes of the disability services technology and advocacy grant under Minnesota Statutes, section 256.4768. The general fund base appropriation for this purpose is set at \$500,000 in fiscal year 2028, \$500,000 in fiscal year 2029, \$500,000 in fiscal year 2030, and \$0 in fiscal year 2031.

**Subd. 8. Intensive Residential Treatment Services; Hennepin County**

\$1,500,000 in fiscal year 2026 is for a grant to the city of Brooklyn Park as start-up funding for an intensive residential treatment services and residential crisis stabilization services facility. This is a onetime appropriation and is available until June 30, 2027.

**Sec. 21. GRANT PROGRAMS; HOUSING GRANTS**

**\$99,998,000**

**\$100,098,000**

**Subdivision 1. Minnesota Homeless Study**

(a) \$900,000 in fiscal year 2026 is for a grant to the Amherst H. Wilder Foundation for the Minnesota homeless study. This appropriation must be disbursed to the Amherst H. Wilder Foundation no later than July 15, 2025, and used for activities directly related to the triennial Minnesota homeless study. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs.

(b) The Amherst H. Wilder Foundation must submit a copy of the Minnesota homeless study and a report that summarizes the findings of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and homelessness by March 1, 2028.

(c) Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance in fiscal year 2026 does not cancel and is available in fiscal year 2027.

**Subd. 2. Emergency Shelter Facilities**

(a) \$3,000,000 in fiscal year 2026 is for grants to eligible applicants for the acquisition of property; site preparation, including demolition; predesign; design; construction; renovation; furnishing; and equipping of emergency shelter facilities in accordance with emergency shelter facilities grants.

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

**Subd. 3. Base Level Adjustment**

The general fund base for this section is \$97,098,000 in fiscal year 2028 and \$97,098,000 in fiscal year 2029.

**Sec. 22. GRANT PROGRAMS; ADULT MENTAL HEALTH GRANTS****\$110,852,000****\$110,852,000**

**Mobile crisis grants.** \$1,620,000 in fiscal year 2026 is for mobile crisis grants under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15). Money may be used by mobile crisis teams to purchase and renovate vehicles to provide protected transport under Minnesota Statutes, section 256B.0625, subdivision 17, paragraph (l), clause (6). This is a onetime appropriation.

**Sec. 23. GRANT PROGRAMS; CHILDREN'S MENTAL HEALTH GRANTS****\$37,375,000****\$36,175,000****Subdivision 1. Clay County Psychiatric Residential Treatment Facility**

\$1,200,000 in fiscal year 2026 is for a grant to Clay County for costs related to the purchase of equipment and final redesign and remodeling for the conversion of the West Central Regional Juvenile Center nonsecure unit into an 18-bed psychiatric residential treatment facility for persons younger than 21 years of age, pursuant to Minnesota Statutes, section 256B.0941. This is a onetime appropriation.

**Subd. 2. School-Linked Behavioral Health Grants**

\$1,250,000 in fiscal year 2026 and \$1,250,000 in fiscal year 2027 are for school-linked behavioral health grants under Minnesota Statutes, section 245.4901.

**Sec. 24. GRANT PROGRAMS; CHEMICAL DEPENDENCY TREATMENT SUPPORT GRANTS****\$3,247,000****\$3,247,000****Sec. 25. GRANT PROGRAMS; HIV GRANTS****\$2,220,000****\$2,220,000**

Sec. 26. Laws 2023, chapter 61, article 9, section 2, subdivision 14, as amended by Laws 2024, chapter 127, article 53, section 13, is amended to read:

**Subd. 14. Grant Programs; Aging and Adult Services Grants**

164,626,000

34,795,000

(a) **Vulnerable Adult Act Redesign Phase Two.** \$17,129,000 in fiscal year 2024 is for adult protection grants to counties and Tribes under Minnesota Statutes, section 256M.42. Notwithstanding Minnesota Statutes, section 16A.28, this

appropriation is available until June 30, 2027. The base for this appropriation is \$866,000 in fiscal year 2026 and \$867,000 in fiscal year 2027.

(b) **Caregiver Respite Services Grants.** \$1,800,000 in fiscal year 2025 is for caregiver respite services grants under Minnesota Statutes, section 256.9756. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(c) **Live Well at Home Grants.** \$4,575,000 in fiscal year 2024 is for live well at home grants under Minnesota Statutes, section 256.9754, subdivision 3f. This is a onetime appropriation and is available until June 30, 2025.

(d) **Senior Nutrition Program.** \$10,552,000 in fiscal year 2024 is for the senior nutrition program. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) **Age-Friendly Community Grants.** \$3,000,000 in fiscal year 2024 is for the continuation of age-friendly community grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 1. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(f) **Age-Friendly Technical Assistance Grants.** \$1,725,000 in fiscal year 2024 is for the continuation of age-friendly technical assistance grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 2. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(g) **Long-Term Services and Supports Loan Program.** \$93,200,000 in fiscal year 2024 is for the long-term services and supports loan program under Minnesota Statutes, section 256R.55, and is available as provided therein.

(h) **Base Level Adjustment.** The general fund base is \$33,861,000 in fiscal year 2026 and \$33,862,000 in fiscal year 2027.

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

Sec. 27. **TRANSFERS.**

Subdivision 1. Grants. The commissioner of human services, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2025, within fiscal years among general assistance, medical assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support program, and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Subd. 3. **Children, youth, and families.** Administrative money may be transferred between the Department of Human Services and the Department of Children, Youth, and Families as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families quarterly about transfers made under this section.

Sec. 28. **CANCELLATIONS.**

Subdivision 1. **Local planning grants.** Local planning grants under Laws 2011, First Special Session chapter 9, article 10, section 3, subdivision 4, paragraph (k), are eliminated and the remaining balance is canceled to the general fund.

Subd. 2. **Direct care provider premiums through HCBS workforce incentive fund.** \$20,000,000 of the base appropriation in Laws 2023, chapter 59, article 3, section 11, is canceled to the general fund.

Subd. 3. **Self-directed collective bargaining agreement; retention bonuses.** \$27,000,000 of the appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (g), is canceled to the general fund.

Subd. 4. **Temporary grants for small customized living providers.** \$5,450,000 of the appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (a), is canceled to the general fund.

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

Sec. 29. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 regular session, the appropriation, transfer, or cancellation must be given effect once.

Sec. 30. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

Sec. 31. **EFFECTIVE DATE.**

This article is effective July 1, 2025, unless a different effective date is specified.

ARTICLE 12  
DIRECT CARE AND TREATMENT APPROPRIATIONS

Section 1. **DIRECT CARE AND TREATMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the executive board of direct care and treatment and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in

this article mean that the appropriations listed under them are available for the fiscal year 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.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>EXECUTIVE BOARD OF DIRECT CARE AND TREATMENT; TOTAL APPROPRIATION</u></b>	<b><u>\$589,928,000</u></b>	<b><u>\$614,521,000</u></b>
<u>The amounts that may be spent for each purpose are specified in the following sections.</u>		
Sec. 3. <b><u>MENTAL HEALTH AND SUBSTANCE ABUSE</u></b>	<b><u>\$189,761,000</u></b>	<b><u>\$194,840,000</u></b>
Sec. 4. <b><u>COMMUNITY-BASED SERVICES</u></b>	<b><u>\$13,927,000</u></b>	<b><u>\$14,170,000</u></b>
Sec. 5. <b><u>FORENSIC SERVICES</u></b>	<b><u>\$160,239,000</u></b>	<b><u>\$164,094,000</u></b>
Sec. 6. <b><u>SEX OFFENDER PROGRAM</u></b>	<b><u>\$128,050,000</u></b>	<b><u>\$131,351,000</u></b>
Sec. 7. <b><u>ADMINISTRATION</u></b>	<b><u>\$97,951,000</u></b>	<b><u>\$110,066,000</u></b>

**Locked psychiatric residential treatment facility report.**  
\$100,000 in fiscal year 2026 is for planning a build-out of a locked psychiatric residential treatment facility (PRTF) operated by Direct Care and Treatment. This is a onetime appropriation and is available until June 30, 2027. By March 1, 2026, the Direct Care and Treatment executive board must report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy on the plan developed under this section. The report must include but not be limited to:

(1) the risks and benefits of locating the locked PRTF in a metropolitan or rural location;

(2) the estimated cost for the build-out of the locked PRTF;

(3) the estimated ongoing cost of maintaining the locked PRTF; and

(4) the estimated amount of costs that can be recouped from medical assistance, MinnesotaCare, and private insurance payments.



Sec. 8. Laws 2024, chapter 127, article 53, section 2, subdivision 19, is amended to read:

**Subd. 19. Direct Care and Treatment - Forensic Services**

-0-

7,752,000

(a) **Employee incentives.** \$1,000,000 in fiscal year 2025 is for incentives related to the transition of CARE St. Peter to the forensic mental health program. Employee incentive payments under this paragraph must be made to all employees who transitioned from CARE St. Peter to another Direct Care and Treatment program, including employees who transitioned prior to the closure of CARE St. Peter. Employee incentive payments must total \$30,000 per transitioned employee, subject to the payment schedule and service requirements in this paragraph. The first incentive payment of \$4,000 must be made after the employee has completed six months of service as an employee of another Direct Care and Treatment program, followed by \$6,000 at 12 months of completed service, \$8,000 at 18 months of completed service, and \$12,000 at 24 months of completed service. This is a onetime appropriation and is available until June 30, 2026.

(b) **Base Level Adjustment.** The general fund base is increased by \$6,612,000 in fiscal year 2026 and increased by \$6,612,000 in fiscal year 2027.

**Sec. 9. TRANSFER AUTHORITY.**

(a) Money appropriated for budget programs in sections 3 to 7 may be transferred between budget programs and between years of the biennium with the approval of the commissioner of management and budget.

(b) The executive board of Direct Care and Treatment, with the approval of the commissioner of management and budget, may transfer money appropriated for Direct Care and Treatment into the special revenue account for facilities management, security systems, and information technology projects, services, and support.

(c) Positions, salary money, and nonsalary administrative money may be transferred within and between Direct Care and Treatment and the Department of Human Services as the executive board and commissioner consider necessary, with the advance approval of the commissioner of management and budget.

**Sec. 10. APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 regular session, the appropriation, transfer, or cancellation must be given effect once.

**Sec. 11. EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncoded language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

**Sec. 12. EFFECTIVE DATE.**

This article is effective July 1, 2025, unless a different effective date is specified.

ARTICLE 13  
OTHER AGENCY APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year 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.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>COMMISSIONER OF HEALTH</u></b>	<b><u>\$1,625,000</u></b>	<b><u>\$1,625,000</u></b>
Sec. 3. <b><u>COUNCIL ON DISABILITY</u></b>	<b><u>\$2,432,000</u></b>	<b><u>\$2,457,000</u></b>
Sec. 4. <b><u>OFFICE OF THE OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES</u></b>	<b><u>\$3,706,000</u></b>	<b><u>\$3,765,000</u></b>

Sec. 5. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 regular session, the appropriation, transfer, or cancellation must be given effect once.

Sec. 6. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

Sec. 7. **EFFECTIVE DATE.**

This article is effective July 1, 2025, unless a different effective date is specified.

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions relating to aging services, disability services, health care services, behavioral health services, background studies, Department of Human Services program integrity, direct care and treatment services, and housing supports; establishing a patient driven payment model phase-in, the Minnesota Caregiver Defined Contribution Retirement Fund Trust, early intensive developmental and behavioral intervention provisional licensure, and recovery residence certification; adjusting rates for nursing home wage standards; establishing an advisory task force and workgroups; creating a civil cause of action; creating grants; requiring reports; making forecast adjustments; appropriating money; amending Minnesota Statutes 2024, sections 13.46, subdivisions 2, 3; 142A.02, subdivision 1; 142A.09, subdivision 1; 144.0724, subdivisions 2, 11, by adding a subdivision; 179A.54, by adding a subdivision; 245.095, subdivision 5, by adding a subdivision; 245.4661, subdivisions 2, 6, 7; 245.4871, subdivision 5; 245.91, subdivision 4; 245A.03, by adding a subdivision; 245A.04,

subdivisions 1, 7; 245A.043, by adding a subdivision; 245A.05; 245A.07, subdivision 2; 245A.10, subdivisions 2, 3, 4, 8; 245C.02, subdivision 7; 245C.03, subdivisions 6, 13, 15; 245C.04, subdivision 6, by adding a subdivision; 245C.08, subdivision 5; 245C.10, by adding a subdivision; 245C.13, subdivision 2; 245C.14, by adding subdivisions; 245C.15, subdivisions 1, 4a; 245C.16, subdivision 1; 245C.22, subdivisions 3, 8; 245D.091, subdivisions 2, 3; 245G.01, subdivision 13b, by adding subdivisions; 245G.02, subdivision 2; 245G.07, subdivisions 1, 3, 4, by adding subdivisions; 245G.11, subdivisions 6, 7, by adding a subdivision; 245G.22, subdivisions 11, 15; 246.54, subdivisions 1a, 1b; 246B.10; 246C.091, subdivision 3; 252.27, by adding subdivisions; 254A.19, subdivision 4; 254B.01, subdivisions 10, 11; 254B.02, subdivision 5; 254B.03, subdivisions 1, 3, 4; 254B.04, subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 1a, 5, by adding a subdivision; 254B.052, by adding a subdivision; 254B.06, subdivision 2, by adding a subdivision; 254B.09, subdivision 2; 254B.19, subdivision 1; 256.01, subdivisions 29, 34; 256.043, subdivision 3; 256.9657, subdivision 1; 256.983, subdivision 4; 256B.051, subdivision 6, by adding a subdivision; 256B.0625, subdivision 5m; 256B.0659, subdivisions 17a, 21; 256B.0757, subdivision 4c; 256B.0761, subdivision 4; 256B.0911, subdivisions 24, 26, by adding subdivisions; 256B.0922, subdivision 1, by adding a subdivision; 256B.0924, subdivision 6; 256B.0949, subdivisions 15, 16, 16a, by adding a subdivision; 256B.14, subdivision 2; 256B.19, subdivision 1; 256B.434, subdivision 4k; 256B.4912, subdivision 1; 256B.4914, subdivisions 3, 5, 5a, 5b, 6a, 6b, 6c, 8, 9, by adding subdivisions; 256B.766; 256B.85, subdivisions 7a, 8, 12, 16; 256B.851, subdivisions 5, 6; 256G.08, subdivisions 1, 2; 256G.09, subdivisions 1, 2; 256I.03, subdivision 11a; 256I.04, subdivision 2a; 256I.05, subdivisions 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 1l, 1m, 1n, 1p, 1q, 1r, 1s, 1t, 1u, 2; 256R.02, subdivision 19, by adding subdivisions; 256R.23, subdivisions 2, 3; 256R.24, subdivision 1; 256R.25; 260E.14, subdivision 1; 325F.725; 609A.015, subdivision 4; 609A.055, subdivision 3; 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a subdivision; 626.5572, subdivision 13; Laws 2021, First Special Session chapter 7, article 13, sections 73; 75, subdivision 4, as amended; Laws 2023, chapter 61, article 1, sections 5; 27; 30; 32; 47; 61, subdivision 4; 85; article 9, section 2, subdivision 14, as amended; Laws 2024, chapter 127, article 53, section 2, subdivision 19; proposing coding for new law in Minnesota Statutes, chapters 245A; 245D; 254B; 256; 256K; 256R; repealing Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5; 254B.04, subdivision 2a; 254B.181; Laws 2021, First Special Session chapter 7, article 13, section 75, subdivisions 3, as amended, 6, as amended."

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. 2435, A bill for an act relating to health care; modifying provisions relating to the Department of Health, health care, pharmacy services, background studies, Department of Human Services program integrity, health-related licensing boards, and certain fees; providing for rulemaking; requiring reports; making forecast adjustments; appropriating money; amending Minnesota Statutes 2024, sections 13.46, subdivisions 2, 3; 62D.21; 62D.211; 103I.005, subdivision 17b; 103I.101, subdivisions 2, 5, 6, by adding a subdivision; 103I.208, subdivisions 1, 1a, 2; 103I.235, subdivision 1; 103I.525, subdivisions 2, 6, 8; 103I.531, subdivisions 2, 6, 8; 103I.535, subdivisions 2, 6, 8; 103I.541, subdivisions 2b, 2c, 4; 103I.545, subdivisions 1, 2; 103I.601, subdivisions 2, 4; 144.0758, subdivision 3; 144.1205, subdivisions 2, 4, 8, 9, 10; 144.121, subdivisions 1a, 2, 5, by adding subdivisions; 144.1215, by adding a subdivision; 144.122; 144.1222, subdivision 1a; 144.3831, subdivision 1; 144.55, subdivision 1a; 144.554; 144.608, subdivision 2; 144.615, subdivision 8; 144.966, subdivision 2; 144A.291, subdivision 2; 144A.43, by adding a subdivision; 144A.474, subdivisions 9, 11; 144A.475, subdivisions 3, 3a, 3b, 3c; 144A.71, subdivision 2; 144A.753, subdivision 1; 144E.123, subdivision 3; 144G.20, subdivisions 3, 13, 16, 17; 144G.30, subdivision 7; 144G.31, subdivisions 2, 4, 5, 8; 144G.45, subdivision 6; 145.8811; 148.108, subdivision 1, by adding subdivisions; 148B.53, subdivision 3; 148E.180, subdivisions 1, 5, 7, by adding subdivisions; 153B.85, subdivisions 1, 3; 156.015, by adding subdivisions; 157.16, subdivisions 2, 2a, 3, 3a, by adding a subdivision;

174.30, subdivision 3; 245.095, subdivision 5, by adding a subdivision; 245A.04, subdivision 1; 245A.05; 245A.07, subdivision 2; 245C.13, subdivision 2; 245C.14, by adding subdivisions; 245C.15, subdivisions 1, 4a; 254B.06, by adding a subdivision; 256.9657, subdivisions 2, 3; 256.983, subdivision 4; 256B.04, subdivision 21; 256B.0625, subdivisions 3b, 8e, 13, 13c, 30; 256B.0659, subdivision 21; 256B.0949, subdivision 2; 256B.69, subdivision 6d; 256B.85, subdivision 12; 256L.03, subdivision 3b; 326.72, subdivision 1; 326.75, subdivisions 3, 3a; 327.15, subdivisions 2, 3, 4, by adding a subdivision; Laws 2024, chapter 127, article 67, section 4; proposing coding for new law in Minnesota Statutes, chapters 144; 153; repealing Minnesota Statutes 2024, sections 103I.550; 148.108, subdivisions 2, 3, 4; 156.015, subdivision 1; Minnesota Rules, parts 2500.1150; 2500.2030; 4695.2900; 6900.0250, subparts 1, 2; 9100.0400, subparts 1, 3; 9100.0500; 9100.0600.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70, article 20, from the general fund, or any other fund named, to the commissioner of human services for the purposes specified in this act, to be available for the fiscal year indicated for each purpose. The figure "2025" used in this act means that the appropriations listed are available for the fiscal year ending June 30, 2025.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2025**

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$53,115,000**

**Appropriations by Fund**

2025

<u>General</u>	<u>75,025,000</u>
<u>Health Care Access</u>	<u>(16,182,000)</u>
<u>Federal TANF</u>	<u>(5,285,000)</u>

Subd. 2. **Forecasted Programs**

(a) **Minnesota Family Investment Program (MFIP)/Diversionary Work Program (DWP)**

**Appropriations by Fund**

2025

<u>General</u>	<u>(5,951,000)</u>
<u>Federal TANF</u>	<u>(5,285,000)</u>

(b) <u>MFIP Child Care Assistance</u>	<u>(62,336,000)</u>
(c) <u>General Assistance</u>	<u>3,737,000</u>
(d) <u>Minnesota Supplemental Aid</u>	<u>3,428,000</u>
(e) <u>Housing Support</u>	<u>11,923,000</u>
(f) <u>Northstar Care for Children</u>	<u>(9,526,000)</u>
(g) <u>MinnesotaCare</u>	<u>(16,182,000)</u>

This appropriation is from the health care access fund.

(h) Medical Assistance

Appropriations by Fund

2025

<u>General</u>	<u>(1,735,000)</u>
<u>Health Care Access</u>	<u>(443,000)</u>

(i) <u>Behavioral Health Fund</u>	<u>135,928,000</u>
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Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; making human services forecast adjustments; appropriating money."

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

The report was adopted.

Kotzya-Witthuhn and West from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 2436, A bill for an act relating to children; the Department of Children, Youth, and Families governor's budget bill; modifying provisions related to department administration, child safety and permanency, and early childhood; appropriating money; amending Minnesota Statutes 2024, sections 127A.41, subdivisions 8, 9; 127A.45, subdivision 13; 142A.03, subdivision 2; 142D.08, subdivision 8; 142D.093; 142D.11, subdivisions 1, 2, 10; 142D.21, subdivisions 6, 10; 142D.31, subdivision 2; 142E.03, subdivision 3; 142E.11, subdivisions 1, 2; 142E.13, subdivision 2; 142E.15, subdivision 1; 142E.16, subdivisions 3, 7; 260.810, subdivisions 1, 2; 260.821, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
ECONOMIC ASSISTANCE

Section 1. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 35. **Electronic benefits transfer; contracting and procurement.** Notwithstanding chapter 16C, the commissioner is exempt from the contract term limits for the issuance of public benefits through an electronic benefit transfer system and related services. These contracts may have up to an initial five-year term, with extensions not to exceed a ten-year total contract duration.

ARTICLE 2  
CHILD PROTECTION AND WELFARE POLICY

Section 1. Minnesota Statutes 2024, section 142B.01, subdivision 15, is amended to read:

Subd. 15. **Individual who is related.** "Individual who is related" means a spouse, a parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, an adoptive parent, a grandparent, a sibling, an aunt, an uncle, or a legal guardian. For purposes of family child foster care, individual who is related also includes an individual who, prior to the child's placement in the individual's home for foster care or adoption, was an important friend of the child or of the child's parent or custodian, including an individual with whom the child has resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

Sec. 2. Minnesota Statutes 2024, section 142B.05, subdivision 3, is amended to read:

Subd. 3. **Foster care by an individual who is related to a child; license required.** (a) Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care for a child, an individual who is related to the child, other than a parent, or legal guardian, must be licensed by the commissioner except as provided by section 142B.06.

(b) An individual who is related to the child may seek foster care licensure through the county agency or a private agency in the community designated or licensed by the commissioner. The county agency must provide information to all potential relative foster care providers about this choice. Counties are not obligated to pay costs for services provided by private agencies.

(c) If an individual who is related to a child is seeking licensure to provide foster care for the child and the individual has a domestic partner but is not married to the domestic partner, only the individual related to the child must be licensed to provide foster care. The commissioner must conduct background studies on household members according to section 245C.03, subdivision 1.

Sec. 3. Minnesota Statutes 2024, section 142B.47, is amended to read:

**142B.47 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH AND ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.**

(a) Licensed child foster care providers, except individuals related to the child, that care for infants or children through five years of age must document that before caregivers assist in the care of infants or children through five years of age, ~~they~~ the caregivers are instructed on the standards in section 142B.46 and receive training on reducing

the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. Licensed child foster care providers who are related to the child and who only serve a relative child must document completion of the training required under this section within 30 days after licensure. This section does not apply to emergency relative placement under section 142B.06. The training on reducing the risk of sudden unexpected infant death and abusive head trauma may be provided as:

(1) orientation training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) Training for child foster care providers must be approved by the county or private licensing agency that is responsible for monitoring the child foster care provider under section 142B.30. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

Sec. 4. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

(f) Notwithstanding paragraph (b), a child foster care license holder who is an individual related to the child and who only serves a relative child must document completion of the training required under this section within 30 days after licensure.

Sec. 5. Minnesota Statutes 2024, section 142B.80, is amended to read:

**142B.80 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.**

Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and caregivers in foster family and treatment foster care settings must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one hour of the annual training requirement for the foster family license holder and caregivers must be on children's mental health issues and treatment. Except for providers and services under chapter 245D and child foster care license holders who are individuals related to the child and who only serve a relative child who does not have fetal alcohol spectrum disorder, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. Short-term substitute caregivers are exempt from these requirements. Training curriculum shall be approved by the commissioner of children, youth, and families.

Sec. 6. **[142B.81] CHILD FOSTER CARE TRAINING; RELATIVE CAREGIVERS.**

Notwithstanding the required hours under Minnesota Rules, part 2960.3070, subpart 2, a child foster care license holder who is an individual related to the child must complete a minimum of six hours of in-service training per year in one or more of the areas in Minnesota Rules, part 2960.3070, subpart 2, or in other areas as agreed upon by the licensing agency and the foster parent. The relative child foster care license holder must consult with the licensing agency and complete training in areas that are most applicable to caring for the relative children in foster care in the home. This section does not apply to a child foster care license holder who is licensed to care for both a relative child and a nonrelative child.

Sec. 7. Minnesota Statutes 2024, section 245C.02, is amended by adding a subdivision to read:

Subd. 16b. **Relative.** "Relative" has the meaning given in section 260C.007, subdivision 27. For purposes of background studies affiliated with child foster care licensure, a person is a relative if the person was known to the child or the child's parent before the child is placed in foster care.

Sec. 8. Minnesota Statutes 2024, section 260.65, is amended to read:

**260.65 NONCUSTODIAL PARENTS; RELATIVE PLACEMENT.**

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

(b) Notwithstanding the provisions of section 260C.219, the responsible social services agency must assess an African American or a disproportionately represented child's noncustodial or nonadjudicated parent's ability to care for the child before placing the child in foster care. If a child's noncustodial or nonadjudicated parent is willing and



able to provide daily care for the African American or disproportionately represented child temporarily or permanently, the court shall order ~~that the child be placed in~~ into the home of the noncustodial or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The responsible social services agency must make active efforts to assist a noncustodial or nonadjudicated parent with remedying any issues that may prevent the child from being ~~placed with the~~ ordered into the home of a noncustodial or nonadjudicated parent.

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

Sec. 9. Minnesota Statutes 2024, section 260.66, subdivision 1, is amended to read:

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

Sec. 10. Minnesota Statutes 2024, section 260.691, subdivision 1, is amended to read:

Subdivision 1. **Establishment and duties.** (a) The African American Child and Family Well-Being Advisory Council is established for the Department of Children, Youth, and Families.

(b) The council shall consist of 31 members appointed by the commissioner and must include representatives with lived personal or professional experience within African American communities. Members may include but are not limited to youth who have exited the child welfare system; parents; legal custodians; relative and kinship caregivers or foster care providers; community service providers, advocates, and members; county and private social services agency case managers; representatives from faith-based institutions; academic professionals; a representative from the Council for Minnesotans of African Heritage; the Ombudsperson for African American Families; and other individuals with experience and knowledge of African American communities. Council members must be selected through an open appointments process under section 15.0597. The terms, compensation, and removal of council members are governed by section 15.059.

~~(c) The African American Child Well-Being Advisory~~ council must:

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

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

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 2024, section 260.692, is amended to read:

**260.692 AFRICAN AMERICAN CHILD AND FAMILY WELL-BEING UNIT.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 12. Minnesota Statutes 2024, section 260C.001, subdivision 2, is amended to read:

Subd. 2. **Juvenile protection proceedings.** (a) The paramount consideration in all juvenile protection proceedings is the health, safety, and best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923.

(b) The purpose of the laws relating to juvenile protection proceedings is:

(1) to secure for each child under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will best serve the spiritual, emotional, mental, and physical welfare of the child;

(2) to provide judicial procedures that protect the welfare of the child;

(3) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal;

(4) to ensure that when removal from the child's own family is necessary and in the child's best interests, the responsible social services agency has legal responsibility for the child removal either:

(i) pursuant to a voluntary placement agreement between the child's parent or guardian or the child, when the child is over age 18, and the responsible social services agency; or

(ii) by court order pursuant to section 260C.151, subdivision 6; 260C.178; 260C.201; 260C.325; or 260C.515;

(5) to ensure that, when placement is pursuant to court order, the court order removing the child or continuing the child in foster care contains an individualized determination that placement is in the best interests of the child that coincides with the actual removal of the child;

(6) to ensure that when the child is removed, the child's care and discipline is, as nearly as possible, equivalent to that which should have been given by the parents and is either in:

(i) the home of a noncustodial parent pursuant to section 260C.178 or 260C.201, subdivision 1, paragraph (a), clause (1);

(ii) the home of a relative pursuant to emergency placement by the responsible social services agency under chapter 245A; or

(iii) foster care licensed under chapter 245A; and

(7) to ensure appropriate permanency planning for children in foster care including:

(i) unless reunification is not required under section 260.012, developing a permanency plan for the child that includes a primary plan for reunification with the child's parent or guardian and a secondary plan for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner;

(ii) identifying, locating, and assessing both parents of the child as soon as possible and offering reunification services to both parents of the child as required under sections 260.012 and 260C.219;

(iii) inquiring about the child's heritage, including the child's Tribal lineage pursuant to section 260.761, and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10;

~~(iii)~~ (iv) identifying, locating, and notifying relatives of both parents of the child according to section 260C.221;

~~(iv)~~ (v) making a placement with a family that will commit to being the legally permanent home for the child in the event reunification cannot occur at the earliest possible time while at the same time actively supporting the reunification plan; and

~~(v)~~ (vi) returning the child home with supports and services, as soon as return is safe for the child, or when safe return cannot be timely achieved, moving to finalize another legally permanent home for the child.

Sec. 13. Minnesota Statutes 2024, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** "Habitual truant" means a child ~~under the age of 17~~ who is at least 12 years old and less than 18 years old who is absent from attendance at school without lawful excuse ~~for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days per school year and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.~~ Pursuant to section 260C.163, subdivision 11, habitual truant also means a child under age 12 who has been absent from school for seven school days without lawful excuse, based on a showing by clear and convincing evidence that the child's absence is not due to the failure of the child's parent, guardian, or custodian to comply with compulsory instruction laws.

Sec. 14. Minnesota Statutes 2024, section 260C.141, subdivision 1, is amended to read:

Subdivision 1. **Who may file; required form.** (a) Any reputable person, including but not limited to any agent of the commissioner of children, youth, and families, having knowledge of a child in this state or of a child who is a resident of this state, who appears to be in need of protection or services or neglected and in foster care, may petition the juvenile court in the manner provided in this section.

(b) A petition for a child in need of protection filed by an individual who is not a county attorney or an agent of the commissioner of children, youth, and families shall be filed on a form developed by the state court administrator and provided to court administrators. Copies of the form may be obtained from the court administrator in each county. The court administrator shall review the petition before it is filed to determine that it is completed. The court administrator may reject the petition if it does not indicate that the petitioner has contacted the responsible social services agency.

An individual may file a petition under this subdivision without seeking internal review of the responsible social services agency's decision. The court shall determine whether there is probable cause to believe that a need for protection or services exists before the matter is set for hearing. If the matter is set for hearing, the court administrator shall notify the responsible social services agency by sending notice to the county attorney.

The petition must contain:

(1) a statement of facts that would establish, if proven, that there is a need for protection or services for the child named in the petition;

(2) a statement that petitioner has reported the circumstances underlying the petition to the responsible social services agency, and protection or services were not provided to the child;

(3) a statement whether there are existing juvenile or family court custody orders or pending proceedings in juvenile or family court concerning the child; ~~and~~

(4) a statement of the relationship of the petitioner to the child and any other parties; ~~and~~

(5) a statement whether the petitioner has inquired of the parent or parents of the child, the child, and relatives about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

The court may not allow a petition to proceed under this paragraph if it appears that the sole purpose of the petition is to modify custody between the parents.

Sec. 15. Minnesota Statutes 2024, section 260C.150, subdivision 3, is amended to read:

**Subd. 3. Identifying parents of child; diligent efforts; data.** (a) The responsible social services agency shall make diligent efforts to inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and to identify and locate both parents of any child who is the subject of proceedings under this chapter. Diligent efforts include:

(1) asking the custodial or known parent to identify any nonresident parent of the child and provide information that can be used to verify the nonresident parent's identity including the dates and locations of marriages and divorces; dates and locations of any legal proceedings regarding paternity; date and place of the child's birth; nonresident parent's full legal name; nonresident parent's date of birth, or if the nonresident parent's date of birth is unknown, an approximate age; the nonresident parent's Social Security number; the nonresident parent's whereabouts including last known whereabouts; and the whereabouts of relatives of the nonresident parent. For purposes of this subdivision, "nonresident parent" means a parent who does not reside in the same household as the child or did not reside in the same household as the child at the time the child was removed when the child is in foster care;

(2) obtaining information that will identify and locate the nonresident parent from the county and state of Minnesota child support enforcement information system;

(3) requesting a search of the Minnesota Fathers' Adoption Registry 30 days after the child's birth; and

(4) using any other reasonable means to identify and locate the nonresident parent.

(b) The agency may disclose data which is otherwise private under section 13.46 or chapter 260E in order to carry out its duties under this subdivision.

(c) Upon the filing of a petition alleging the child to be in need of protection or services, the responsible social services agency may contact a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth. The social service agency may consider a putative father for the day-to-day care of the child under section 260C.219 if the putative father cooperates with genetic testing and there is a positive test result under section 257.62, subdivision 5. Nothing in this paragraph:

(1) relieves a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth of the duty to cooperate with paternity establishment proceedings under section 260C.219;

(2) gives a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth the right to notice under section 260C.151 unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7); or

(3) establishes a right to assert an interest in the child in a termination of parental rights proceeding contrary to section 259.52, subdivision 6, unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7).

Sec. 16. Minnesota Statutes 2024, section 260C.178, subdivision 1, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time that the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue to be in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines that there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child:

(1) into the care of the child's noncustodial parent and order the noncustodial parent to comply with any conditions that the court determines appropriate to ensure the safety and care of the child, including requiring the noncustodial parent to cooperate with paternity establishment proceedings if the noncustodial parent has not been adjudicated the child's father; or

(2) into foster care as defined in section 260C.007, subdivision 18, under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that the agency has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. The court shall not make a reasonable efforts determination under this clause unless the court is satisfied that the agency has sufficiently demonstrated to the court that there

were no services or other efforts that the agency was able to provide at the time of the hearing enabling the child to safely remain home or to safely return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered that would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph (g) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

(f) If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(g) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

(h) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under a juvenile protection proceeding or a similar process of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

(k) If the court determines the child should be ordered into foster care ~~and~~, the court shall inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761; their race, culture, and ethnicity pursuant to section 260.63, subdivision 10; and the responsible social services agency's initial relative search efforts. If the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.



(l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(m) When the court has ordered the child into the care of a noncustodial parent or in foster care, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212, subdivision 1, or the child protective services plan under section 260E.26, and Minnesota Rules, part 9560.0228.

(n) When the court has ordered an Indian child into an emergency child placement, the Indian child shall be placed according to the placement preferences in the Minnesota Indian Family Preservation Act, section 260.773.

Sec. 17. Minnesota Statutes 2024, section 260C.178, subdivision 7, is amended to read:

Subd. 7. **Case plan.** (a) When the court has ordered the child into the care of a parent under subdivision 1, paragraph (c), clause (1), the child protective services plan under section 260E.26 must be filed within 30 days of the filing of the juvenile protection petition under section 260C.141, subdivision 1.

(b) When the court orders the child into foster care under subdivision 1, paragraph (c), clause (2), and not into the care of a parent, an out-of-home placement plan summary required under section 260C.212, subdivision 1, must be filed with the court within 30 days of the filing of a juvenile protection petition under section 260C.141, subdivision 1, when the court orders emergency removal of the child under this section, or filed with the petition if the petition is a review of a voluntary placement under section 260C.141, subdivision 2. An out-of-home placement plan shall be prepared and filed with the court within 60 days after any child is placed in foster care under section 260C.212, subdivision 1.

(c) Upon the filing of the child protective services plan under section 260E.26 or out-of-home placement plan that has been developed jointly with the parent and in consultation with others as required under section 260C.212, subdivision 1, the court may approve implementation of the plan by the responsible social services agency based on the allegations contained in the petition and any evaluations, examinations, or assessments conducted under subdivision 1, paragraph (m). The court shall send written notice of the approval of the child protective services plan or out-of-home placement plan to all parties and the county attorney or may state such approval on the record at a hearing. A parent may agree to comply with the terms of the plan filed with the court.

(d) The responsible social services agency shall make reasonable efforts to engage both parents of the child in case planning. The responsible social services agency shall report the results of its efforts to engage the child's parents in the child protective services plan or out-of-home placement plan filed with the court. The agency shall notify the court of the services it will provide or efforts it will attempt under the plan notwithstanding the parent's refusal to cooperate or disagreement with the services. The parent may ask the court to modify the plan to require different or additional services requested by the parent, but which the agency refused to provide. The court may approve the plan as presented by the agency or may modify the plan to require services requested by the parent. The court's approval must be based on the content of the petition.

(e) Unless the parent agrees to comply with the terms of the child protective services plan or out-of-home placement plan, the court may not order a parent to comply with the provisions of the plan until the court finds the child is in need of protection or services and orders disposition under section 260C.201, subdivision 1. However, the court may find that the responsible social services agency has made reasonable efforts for reunification if the agency makes efforts to implement the terms of the child protective services plan or out-of-home placement plan approved under this section.

Sec. 18. Minnesota Statutes 2024, section 260C.201, subdivision 1, is amended to read:

Subdivision 1. **Dispositions.** (a) If the court finds that the child is in need of protection or services or neglected and in foster care, the court shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the responsible social services agency or child-placing agency in the home of a parent of the child under conditions prescribed by the court directed to the correction of the child's need for protection or services:

(i) the court may order the child into the home of a parent who does not otherwise have legal custody of the child, however, an order under this section does not confer legal custody on that parent;

(ii) if the court orders the child into the home of a father who is not adjudicated, the father must cooperate with paternity establishment proceedings regarding the child in the appropriate jurisdiction as one of the conditions prescribed by the court for the child to continue in the father's home; and

(iii) the court may order the child into the home of a noncustodial parent with conditions and may also order both the noncustodial and the custodial parent to comply with the requirements of a case plan under subdivision 2; ~~or~~

(2) transfer legal custody to one of the following:

(i) a child-placing agency; or

(ii) the responsible social services agency. In making a foster care placement of a child whose custody has been transferred under this subdivision, the court shall inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and the agency shall make an individualized determination of how the placement is in the child's best interests using the placement consideration order for relatives and the best interest factors in section 260C.212, subdivision 2, and may include a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190; ~~or~~

(3) order a trial home visit without modifying the transfer of legal custody to the responsible social services agency under clause (2). Trial home visit means the child is returned to the care of the parent or guardian from whom the child was removed for a period not to exceed six months. During the period of the trial home visit, the responsible social services agency:

(i) shall continue to have legal custody of the child, which means that the agency may see the child in the parent's home, at school, in a child care facility, or other setting as the agency deems necessary and appropriate;

(ii) shall continue to have the ability to access information under section 260C.208;

(iii) shall continue to provide appropriate services to both the parent and the child during the period of the trial home visit;

(iv) without previous court order or authorization, may terminate the trial home visit in order to protect the child's health, safety, or welfare and may remove the child to foster care;

(v) shall advise the court and parties within three days of the termination of the trial home visit when a visit is terminated by the responsible social services agency without a court order; and

(vi) shall prepare a report for the court when the trial home visit is terminated whether by the agency or court order that describes the child's circumstances during the trial home visit and recommends appropriate orders, if any, for the court to enter to provide for the child's safety and stability. In the event a trial home visit is terminated by the agency by removing the child to foster care without prior court order or authorization, the court shall conduct a hearing within ten days of receiving notice of the termination of the trial home visit by the agency and shall order disposition under this subdivision or commence permanency proceedings under sections 260C.503 to 260C.515. The time period for the hearing may be extended by the court for good cause shown and if it is in the best interests of the child as long as the total time the child spends in foster care without a permanency hearing does not exceed 12 months;

(4) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a physical or mental disability or emotional disturbance as defined in section 245.4871, subdivision 15, the court may order the child's parent, guardian, or custodian to provide it. The court may order the child's health plan company to provide mental health services to the child. Section 62Q.535 applies to an order for mental health services directed to the child's health plan company. If the health plan, parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. Absent specific written findings by the court that the child's disability is the result of abuse or neglect by the child's parent or guardian, the court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(5) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child or of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

To the extent practicable, the court shall enter a disposition order the same day it makes a finding that a child is in need of protection or services or neglected and in foster care, but in no event more than 15 days after the finding unless the court finds that the best interests of the child will be served by granting a delay. If the child was under eight years of age at the time the petition was filed, the disposition order must be entered within ten days of the finding and the court may not grant a delay unless good cause is shown and the court finds the best interests of the child will be served by the delay.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th birthday.

(d) In the case of a child adjudicated in need of protection or services because the child has committed domestic abuse and been ordered excluded from the child's parent's home, the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing to provide an alternative safe living arrangement for the child as defined in paragraph (f).

(e) When a parent has complied with a case plan ordered under subdivision 6 and the child is in the care of the parent, the court may order the responsible social services agency to monitor the parent's continued ability to maintain the child safely in the home under such terms and conditions as the court determines appropriate under the circumstances.

(f) For the purposes of this subdivision, "alternative safe living arrangement" means a living arrangement for a child proposed by a petitioning parent or guardian if a court excludes the minor from the parent's or guardian's home that is separate from the victim of domestic abuse and safe for the child respondent. A living arrangement proposed by a petitioning parent or guardian is presumed to be an alternative safe living arrangement absent information to the contrary presented to the court. In evaluating any proposed living arrangement, the court shall consider whether the

arrangement provides the child with necessary food, clothing, shelter, and education in a safe environment. Any proposed living arrangement that would place the child in the care of an adult who has been physically or sexually violent is presumed unsafe.

Sec. 19. Minnesota Statutes 2024, section 260C.201, subdivision 2, is amended to read:

Subd. 2. **Written findings.** (a) Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition and case plan ordered and shall also set forth in writing the following information:

- (1) why the best interests and safety of the child are served by the disposition and case plan ordered;
- (2) what alternative dispositions or services under the case plan were considered by the court and why such dispositions or services were not appropriate in the instant case;
- (3) when legal custody of the child is transferred, the appropriateness of the particular placement made or to be made by the placing agency using the relative and sibling placement considerations and best interest factors in section 260C.212, subdivision 2, or the appropriateness of a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190;
- (4) whether reasonable efforts to finalize the permanent plan for the child consistent with section 260.012 were made including reasonable efforts:
  - (i) to prevent the child's placement and to reunify the child with the parent or guardian from whom the child was removed at the earliest time consistent with the child's safety. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal or that reasonable efforts were not required under section 260.012 or 260C.178, subdivision 1;
  - (ii) to identify and locate any noncustodial or nonresident parent of the child and to assess such parent's ability to provide day-to-day care of the child, and, where appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide day-to-day care of the child as required under section 260C.219, unless such services are not required under section 260.012 or 260C.178, subdivision 1. The court's findings must include a description of the agency's efforts to:
    - (A) identify and locate the child's noncustodial or nonresident parent;
    - (B) assess the noncustodial or nonresident parent's ability to provide day-to-day care of the child; and
    - (C) if appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide the child's day-to-day care, including efforts to engage the noncustodial or nonresident parent in assuming care and responsibility of the child;
  - (iii) to inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and make the diligent search for relatives and provide the notices required under section 260C.221; a finding made pursuant to a hearing under section 260C.202 that the agency has made diligent efforts to conduct a relative search and has appropriately engaged relatives who responded to the notice under section 260C.221 and other relatives, who came to the attention of the agency after notice under section 260C.221 was sent, in placement and case planning decisions fulfills the requirement of this item;

(iv) to identify and make a foster care placement of the child, considering the order in section 260C.212, subdivision 2, paragraph (a), in the home of an unlicensed relative, according to the requirements of section 142B.06, a licensed relative, or other licensed foster care provider, who will commit to being the permanent legal parent or custodian for the child in the event reunification cannot occur, but who will actively support the reunification plan for the child. If the court finds that the agency has not appropriately considered relatives for placement of the child, the court shall order the agency to comply with section 260C.212, subdivision 2, paragraph (a). The court may order the agency to continue considering relatives for placement of the child regardless of the child's current placement setting; and

(v) to place siblings together in the same home or to ensure visitation is occurring when siblings are separated in foster care placement and visitation is in the siblings' best interests under section 260C.212, subdivision 2, paragraph (d); and

(5) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a mental disability or emotional disturbance as defined in section 245.4871, subdivision 15, the written findings shall also set forth:

(i) whether the child has mental health needs that must be addressed by the case plan;

(ii) what consideration was given to the diagnostic and functional assessments performed by the child's mental health professional and to health and mental health care professionals' treatment recommendations;

(iii) what consideration was given to the requests or preferences of the child's parent or guardian with regard to the child's interventions, services, or treatment; and

(iv) what consideration was given to the cultural appropriateness of the child's treatment or services.

(b) If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(c) If the child has been identified by the responsible social services agency as the subject of concurrent permanency planning, the court shall review the reasonable efforts of the agency to develop a permanency plan for the child that includes a primary plan that is for reunification with the child's parent or guardian and a secondary plan that is for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner.

Sec. 20. Minnesota Statutes 2024, section 260C.202, subdivision 2, is amended to read:

Subd. 2. **Court review for a child placed in foster care.** (a) If the court orders a child placed in foster care, the court shall review the out-of-home placement plan and the child's placement at least every 90 days as required in juvenile court rules to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned home.

(b) This review is not required if the court has returned the child home, ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521, or terminated rights under section 260C.301. Court review for a child permanently placed away from a parent, including where the child is under guardianship of the commissioner, is governed by section 260C.607.

(c) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(d) No later than three months after the child's placement in foster care, the court shall review agency efforts to search for and notify relatives pursuant to section 260C.221, and order that the agency's efforts begin immediately, or continue, if the agency has failed to perform, or has not adequately performed, the duties under that section. The court must order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to consider relatives for foster care placement consistent with section 260C.221. Notwithstanding a court's finding that the agency has made reasonable efforts to search for and notify relatives under section 260C.221, the court may order the agency to continue making reasonable efforts to search for, notify, engage, and consider relatives who came to the agency's attention after sending the initial notice under section 260C.221.

(e) The court shall review the out-of-home placement plan and may modify the plan as provided under section 260C.201, subdivisions 6 and 7.

(f) When the court transfers the custody of a child to a responsible social services agency resulting in foster care or protective supervision with a noncustodial parent under subdivision 1, the court shall notify the parents of the provisions of sections 260C.204 and 260C.503 to 260C.521, as required under juvenile court rules.

~~(g) When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court shall at least annually conduct the review required under section 260C.203.~~

Sec. 21. Minnesota Statutes 2024, section 260C.202, is amended by adding a subdivision to read:

**Subd. 3. Court review prior to the 18th birthday of a child in foster care.** (a) The court must conduct a review during the 90-day period prior to the 18th birthday of a child in foster care.

(b) The responsible social services agency must file a written report with the court containing or attaching the following:

(1) the child's name, date of birth, race, gender, and current address;

(2) whether the child is eligible for extended foster care and if not, the reason or reasons why the child is not eligible;

(3) a written summary describing how the child was involved in creating the child's plan for after their 18th birthday;

(4) the date the required extended foster care eligibility notice in section 260C.451, subdivision 1, was provided and the child's plan after the child's 18th birthday;

(5) the child's most recent independent living plan required under section 260C.212, subdivision 1;

(6) if the agency's recommendation is to extend jurisdiction up to age 19 under section 260C.193, why the extended jurisdiction is in the child's best interest;

(7) if the agency's recommendation is to reunify the child with their parent or legal guardian, why reunification is in the child's best interest;

(8) if the agency plans to transition the child into adult services on or after the child's 18th birthday, a summary of the transition plan as required in section 260C.452 and how this plan is in the child's best interest; and

(9) if the child's plan is to leave foster care at age 18 and not continue in extended foster care, a copy of their 180-day transition plan required in section 260C.452 and the reasons the child is not continuing in extended foster care.

(c) The agency must inform the child and parties to the proceeding of the reporting and court review requirements of this subdivision and their right to request a hearing. The child or a party to the proceeding may request a hearing if they believe the agency did not make reasonable efforts under this subdivision.

(d) Upon receiving the report, the court must hold a hearing when a party to the proceeding or the child requests a hearing. In all other circumstances, the court has the discretion to hold a hearing or issue an order without a hearing.

(e) The court must issue an order with findings including but not limited to the following:

(1) whether the responsible social services agency provided the notice to the child about extended foster care as required in section 260C.451;

(2) whether the responsible social services agency engaged with the child and appropriately planned with the child to transition to adulthood; and

(3) if the child has decided to not continue in the extended foster care program at age 18, whether the responsible social services agency informed the child that they can reenter extended foster care up to age 21 or that the child is not eligible to reenter and why.

Sec. 22. Minnesota Statutes 2024, section 260C.202, is amended by adding a subdivision to read:

Subd. 4. **Court reviews for a child over age 18 in foster care.** When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court must at least annually conduct the review required under section 260C.203.

Sec. 23. Minnesota Statutes 2024, section 260C.204, is amended to read:

**260C.204 PERMANENCY PROGRESS REVIEW FOR CHILDREN IN FOSTER CARE FOR SIX MONTHS.**

(a) When a child continues in placement out of the home of the parent or guardian from whom the child was removed, no later than six months after the child's placement the court shall conduct a permanency progress hearing to review:

(1) the progress of the case, the parent's progress on the case plan or out-of-home placement plan, whichever is applicable;

(2) the agency's reasonable, or in the case of an Indian child, active efforts for reunification and its provision of services;

(3) the agency's reasonable efforts to finalize the permanent plan for the child under section 260.012, paragraph (e), and to make a placement as required under section 260C.212, subdivision 2, in a home that will commit to being the legally permanent family for the child in the event the child cannot return home according to the timelines in this section; and



(4) in the case of an Indian child, active efforts to prevent the breakup of the Indian family and to make a placement according to the placement preferences under United States Code, title 25, chapter 21, section 1915.

(b) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(c) The court shall ensure that notice of the hearing is sent to any relative who:

(1) responded to the agency's notice provided under section 260C.221, indicating an interest in participating in planning for the child or being a permanency resource for the child and who has kept the court apprised of the relative's address; or

(2) asked to be notified of court proceedings regarding the child as is permitted in section 260C.152, subdivision 5.

(d)(1) If the parent or guardian has maintained contact with the child and is complying with the court-ordered out-of-home placement plan, and if the child would benefit from reunification with the parent, the court may either:

(i) return the child home, if the conditions that led to the out-of-home placement have been sufficiently mitigated that it is safe and in the child's best interests to return home; or

(ii) continue the matter up to a total of six additional months. If the child has not returned home by the end of the additional six months, the court must conduct a hearing according to sections 260C.503 to 260C.521.

(2) If the court determines that the parent or guardian is not complying, is not making progress with or engaging with services in the out-of-home placement plan, or is not maintaining regular contact with the child as outlined in the visitation plan required as part of the out-of-home placement plan under section 260C.212, the court may order the responsible social services agency:

(i) to develop a plan for legally permanent placement of the child away from the parent;

(ii) to consider, identify, recruit, and support one or more permanency resources from the child's relatives and foster parent, consistent with clause (3) and section 260C.212, subdivision 2, paragraph (a), to be the legally permanent home in the event the child cannot be returned to the parent. Any relative or the child's foster parent may ask the court to order the agency to consider them for permanent placement of the child in the event the child cannot be returned to the parent. A relative or foster parent who wants to be considered under this item shall cooperate with the background study required under section 245C.08, if the individual has not already done so, and with the home study process required under chapter 142B for providing child foster care and for adoption under section 259.41. The home study referred to in this item shall be a single-home study in the form required by the commissioner of children, youth, and families or similar study required by the individual's state of residence when the subject of the study is not a resident of Minnesota. The court may order the responsible social services agency to make a referral under the Interstate Compact on the Placement of Children when necessary to obtain a home study for an individual who wants to be considered for transfer of permanent legal and physical custody or adoption of the child; and

(iii) to file a petition to support an order for the legally permanent placement plan.

(3) Consistent with section 260C.223, subdivision 2, paragraph (b), the responsible social services agency must not define a foster family as the permanent home for a child until:

(i) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;

(ii) inquiry about the child's heritage, including their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and

(iii) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

(e) Following the review under this section:

(1) if the court has either returned the child home or continued the matter up to a total of six additional months, the agency shall continue to provide services to support the child's return home or to make reasonable efforts to achieve reunification of the child and the parent as ordered by the court under an approved case plan;

(2) if the court orders the agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative, a petition supporting the plan shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the pleadings; or

(3) if the court orders the agency to file a termination of parental rights, unless the county attorney can show cause why a termination of parental rights petition should not be filed, a petition for termination of parental rights shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the petition.

Sec. 24. Minnesota Statutes 2024, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** ~~(a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.~~

~~(b)~~ (a) An out-of-home placement plan means a written document individualized to the needs of the child and the child's parents or guardians that is prepared by the responsible social services agency using a form developed by the commissioner. The plan must be completed jointly with the child's parents or guardians and in consultation with the child's guardian ad litem; the child's tribe, if the child is an Indian child; the child's foster parent or representative of the foster care facility; and, when appropriate, the child. When a child is age 14 or older, the child may include two other individuals on the team preparing the child's out-of-home placement plan. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards. The responsible social services agency may reject an individual selected by the child if the agency has good cause to believe that the individual would not act in the best interest of the child. For a child in voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. For a child 18 years of age or older, the responsible social services agency shall involve the child and the child's parents as appropriate. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(b) Before an out-of-home placement plan is signed by the parent or parents or guardian of the child, the responsible social services agency must provide the parent or parents or guardian with a one- to two-page summary of the plan using a form developed by the commissioner. The out-of-home placement plan summary must clearly summarize the plan's contents under paragraph (d) and list the requirements and responsibilities for the parent or parents or guardian using plain language. The summary must be updated and provided to the parent or parents or guardian when the out-of-home placement plan is updated under subdivision 1a.

(c) An out-of-home placement plan summary shall be prepared within 30 days after any child is placed in foster care by court order or voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D. An out-of-home placement plan shall be prepared within 60 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.

~~(e)~~ (d) The out-of-home placement plan shall be explained by the responsible social services agency to all persons involved in the plan's implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the foster care home or facility selected, including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like setting available that is in close proximity to the home of the child's parents or guardians when the case plan goal is reunification; and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) a description of the services offered and provided to prevent removal of the child from the home;

~~(2)~~ (3) the specific reasons for the placement of the child in foster care, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents that necessitated removal of the child from home and the services offered and provided to support the changes the parent or parents must make for the child to safely return home;

~~(3) a description of the services offered and provided to prevent removal of the child from the home and to reunify the family including:~~

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not placed together in foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in foster care;

(6) when a child cannot return to or be in the care of either parent, documentation of steps to finalize permanency through either:

(i) adoption as the permanency plan for the child through reasonable efforts to place the child for adoption pursuant to section 260C.605. At a minimum, the documentation must include consideration of whether adoption is in the best interests of the child and child-specific recruitment efforts such as a relative search, consideration of relatives for adoptive placement, and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b); or

~~(7) when a child cannot return to or be in the care of either parent, documentation of steps to finalize~~ (ii) the transfer of permanent legal and physical custody to a relative as the permanency plan for the child. This documentation must support the requirements of the kinship placement agreement under section 142A.605 and must include the reasonable efforts used to determine that it is not appropriate for the child to return home or be adopted, and reasons why permanent placement with a relative through a Northstar kinship assistance arrangement is in the child's best interest; how the child meets the eligibility requirements for Northstar kinship assistance payments; agency efforts to discuss adoption with the child's relative foster parent and reasons why the relative foster parent chose not to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or parents the permanent transfer of permanent legal and physical custody or the reasons why these efforts were not made;

~~(8)~~ (7) efforts to ensure the child's educational stability while in foster care for a child who attained the minimum age for compulsory school attendance under state law and is enrolled full time in elementary or secondary school, or instructed in elementary or secondary education at home, or instructed in an independent study elementary or secondary program, or incapable of attending school on a full-time basis due to a medical condition that is documented and supported by regularly updated information in the child's case plan. Educational stability efforts include:

(i) efforts to ensure that the child remains in the same school in which the child was enrolled prior to placement or upon the child's move from one placement to another, including efforts to work with the local education authorities to ensure the child's educational stability and attendance; or

(ii) if it is not in the child's best interest to remain in the same school that the child was enrolled in prior to placement or move from one placement to another, efforts to ensure immediate and appropriate enrollment for the child in a new school;

~~(9)~~ (8) the educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) a statement about how the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement; and

(v) any other relevant educational information;

~~(10)~~ (9) the efforts by the responsible social services agency to ~~ensure support the child's well-being by ensuring~~ the oversight and continuity of health care services for the foster child and documenting their health record, including:

(i) the plan to schedule the child's initial health screens;

(ii) how the child's known medical problems and identified needs from the screens, including any known communicable diseases, as defined in section 144.4172, subdivision 2, shall be monitored and treated while the child is in foster care;

(iii) how the child's medical information shall be updated and shared, including the child's immunizations;

(iv) who is responsible to coordinate and respond to the child's health care needs, including the role of the parent, the agency, and the foster parent;

(v) who is responsible for oversight of the child's prescription medications;

(vi) how physicians or other appropriate medical and nonmedical professionals shall be consulted and involved in assessing the health and well-being of the child and determine the appropriate medical treatment for the child; ~~and~~

(vii) the responsibility to ensure that the child has access to medical care through either medical insurance or medical assistance; and

~~(11) the health records of the child including~~ (viii) information available regarding:

~~(i) (A)~~ the names and addresses of the child's health care and dental care providers;

~~(ii) (B)~~ a record of the child's immunizations;

~~(iii) (C)~~ the child's known medical problems, including any known communicable diseases as defined in section 144.4172, subdivision 2;

~~(iv) (D)~~ the child's medications; and

~~(v) (E)~~ any other relevant health care information such as the child's eligibility for medical insurance or medical assistance;

~~(12) (10)~~ an independent living plan for a child 14 years of age or older, developed in consultation with the child. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards in subdivision 14. The plan should include, but not be limited to, the following objectives:

(i) educational, vocational, or employment planning;

(ii) health care planning and medical coverage;

(iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;

(iv) money management, including the responsibility of the responsible social services agency to ensure that the child annually receives, at no cost to the child, a consumer report as defined under section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

(v) planning for housing;

(vi) social and recreational skills;

(vii) establishing and maintaining connections with the child's family and community; and

(viii) regular opportunities to engage in age-appropriate or developmentally appropriate activities typical for the child's age group, taking into consideration the capacities of the individual child;

~~(13)~~ (11) for a child in voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes;

~~(14)~~ (12) for a child 14 years of age or older, a signed acknowledgment that describes the child's rights regarding education, health care, visitation, safety and protection from exploitation, and court participation; receipt of the documents identified in section 260C.452; and receipt of an annual credit report. The acknowledgment shall state that the rights were explained in an age-appropriate manner to the child; and

~~(15)~~ (13) for a child placed in a qualified residential treatment program, the plan must include the requirements in section 260C.708.

~~(d)~~ (e) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

~~(e) Before an out-of-home placement plan is signed by the parent or parents or guardian of the child, the responsible social services agency must provide the parent or parents or guardian with a one- to two-page summary of the plan using a form developed by the commissioner. The out-of-home placement plan summary must clearly summarize the plan's contents under paragraph (e) and list the requirements and responsibilities for the parent or parents or guardian using plain language. The summary must be updated and provided to the parent or parents or guardian when the out-of-home placement plan is updated under subdivision 1a.~~

(f) After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

(g) Upon the child's discharge from foster care, the responsible social services agency must provide the child's parent, adoptive parent, or permanent legal and physical custodian, and the child, if the child is 14 years of age or older, with a current copy of the child's health and education record. If a child meets the conditions in subdivision 15, paragraph (b), the agency must also provide the child with the child's social and medical history. The responsible social services agency may give a copy of the child's health and education record and social and medical history to a child who is younger than 14 years of age, if it is appropriate and if subdivision 15, paragraph (b), applies.

Sec. 25. Minnesota Statutes 2024, section 260C.212, subdivision 1a, is amended to read:

Subd. 1a. **Out-of-home placement plan update.** (a) Within 30 days of placing the child in foster care, the agency must complete the child's out-of-home placement plan summary and file it with the court. Within 60 days of placing the child in foster care, the agency must file the child's initial out-of-home placement plan with the court. After filing the child's ~~initial~~ out-of-home placement plan, the agency shall update and file the child's out-of-home placement plan with the court as follows:

(1) when the agency moves a child to a different foster care setting, the agency shall inform the court within 30 days of the child's placement change or court-ordered trial home visit. The agency must file the child's updated out-of-home placement plan summary and out-of-home placement plan with the court at the next required review hearing;

(2) when the agency places a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, or moves a child from one qualified residential treatment program to a different qualified residential treatment program, the agency must update the child's out-of-home placement plan within 60 days. To meet the requirements of section 260C.708, the agency must file the child's out-of-home placement plan along with the agency's report seeking the court's approval of the child's placement at a qualified residential treatment program under section 260C.71. After the court issues an order, the agency must update the child's out-of-home placement plan to document the court's approval or disapproval of the child's placement in a qualified residential treatment program;

(3) when the agency places a child with the child's parent in a licensed residential family-based substance use disorder treatment program under section 260C.190, the agency must identify the treatment program where the child will be placed in the child's out-of-home placement plan prior to the child's placement. The agency must file the child's out-of-home placement plan summary and out-of-home placement plan with the court at the next required review hearing; and

(4) under sections 260C.227 and 260C.521, the agency must update the child's out-of-home placement plan summary and out-of-home placement plan and file the child's out-of-home placement plan with the court.

(b) When none of the items in paragraph (a) apply, the agency must update the child's out-of-home placement plan summary and out-of-home placement plan no later than 180 days after the child's initial placement and every six months thereafter, consistent with section 260C.203, paragraph (a).

Sec. 26. Minnesota Statutes 2024, section 260C.221, subdivision 2, is amended to read:

Subd. 2. **Relative notice requirements.** (a) The agency may provide oral or written notice to a child's relatives. In the child's case record, the agency must document providing the required notice to each of the child's relatives. The responsible social services agency must notify relatives:

(1) of the need for a foster home for the child, the option to become a placement resource for the child, the order of placement that the agency will consider under section 260C.212, subdivision 2, paragraph (a), and the possibility of the need for a permanent placement for the child;

(2) of their responsibility to keep the responsible social services agency and the court informed of their current address in order to receive notice in the event that a permanent placement is sought for the child and to receive notice of the permanency progress review hearing under section 260C.204. A relative who fails to provide a current address to the responsible social services agency and the court forfeits the right to receive notice of the possibility of permanent placement and of the permanency progress review hearing under section 260C.204, until the relative provides a current address to the responsible social services agency and the court. A decision by a relative not to be identified as a potential permanent placement resource or participate in planning for the child shall not affect whether the relative is considered for placement of, or as a permanency resource for, the child with that relative at any time in the case, and shall not be the sole basis for the court to rule out the relative as the child's placement or permanency resource;

(3) that the relative may participate in the care and planning for the child, as specified in subdivision 3, including that the opportunity for such participation may be lost by failing to respond to the notice sent under this subdivision;

(4) of the family foster care licensing and adoption home study requirements and supports, including ~~how to complete an application and how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 142B.10 and supports that are available for relatives and children who reside in a family foster home;~~

(i) the choice between county or private agency licensing and services under section 142B.05, subdivision 3;

(ii) how to complete an application;

(iii) how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 142B.10; and

(iv) supports that are available for relatives and children who reside in a family foster home, including but not limited to ways to include resource or substitute caregivers in the child's case plan, strategies for leveraging the child and family's natural supports, and how to access legal services and support and respite care;

(5) of the relatives' right to ask to be notified of any court proceedings regarding the child, to attend the hearings, and of a relative's right to be heard by the court as required under section 260C.152, subdivision 5;

(6) that regardless of the relative's response to the notice sent under this subdivision, the agency is required to establish permanency for a child, including planning for alternative permanency options if the agency's reunification efforts fail or are not required; and

(7) that by responding to the notice, a relative may receive information about participating in a child's family and permanency team if the child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d.

(b) The responsible social services agency shall send the notice required under paragraph (a) to relatives who become known to the responsible social services agency, except for relatives that the agency does not contact due to safety reasons under subdivision 5, paragraph (b). The responsible social services agency shall continue to send notice to relatives notwithstanding a court's finding that the agency has made reasonable efforts to conduct a relative search.

(c) The responsible social services agency is not required to send the notice under paragraph (a) to a relative who becomes known to the agency after an adoption placement agreement has been fully executed under section 260C.613, subdivision 1. If the relative wishes to be considered for adoptive placement of the child, the agency shall inform the relative of the relative's ability to file a motion for an order for adoptive placement under section 260C.607, subdivision 6.

Sec. 27. Minnesota Statutes 2024, section 260C.223, subdivision 1, is amended to read:

Subdivision 1. **Program; goals.** (a) The commissioner of children, youth, and families shall establish a program for concurrent permanency planning for child protection services.

(b) Concurrent permanency planning involves a planning process for children who are placed out of the home of their parents pursuant to a court order, or who have been voluntarily placed out of the home by the parents for 60 days or more and who are not developmentally disabled or emotionally disabled under section 260C.212, subdivision 9. The responsible social services agency shall develop an alternative permanency plan while making reasonable efforts for reunification of the child with the family, if required by section 260.012. The goals of concurrent permanency planning are to:

(1) achieve early permanency for children;

(2) decrease children's length of stay in foster care and reduce the number of moves children experience in foster care; and



(3) ~~develop a group of families~~ establish a foster parent for a child who will work ~~towards~~ toward reunification and also serve as a permanent ~~families~~ family for children.

Sec. 28. Minnesota Statutes 2024, section 260C.223, subdivision 2, is amended to read:

Subd. 2. **Development of guidelines and protocols.** (a) The commissioner shall establish guidelines and protocols for social services agencies involved in concurrent permanency planning, including criteria for conducting concurrent permanency planning based on relevant factors such as:

- (1) age of the child and duration of out-of-home placement;
- (2) prognosis for successful reunification with parents;
- (3) availability of relatives and other concerned individuals to provide support or a permanent placement for the child; and

- (4) special needs of the child and other factors affecting the child's best interests.

(b) In developing the guidelines and protocols, the commissioner shall consult with interest groups within the child protection system, including child protection workers, child protection advocates, county attorneys, law enforcement, community service organizations, the councils of color, and the ombudsperson for families.

(c) The responsible social services agency must not make a foster family the permanent home for a child until:

- (1) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;
- (2) inquiry about the child's heritage, including their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and
- (3) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

Sec. 29. Minnesota Statutes 2024, section 260C.329, subdivision 3, is amended to read:

Subd. 3. **Petition.** (a) The following individuals may file a petition for the reestablishment of the legal parent and child relationship:

- (1) county attorney; ;
- (2) a parent whose parental rights were terminated under a previous order of the court; ;
- (3) a parent whose voluntary consent to adoption was accepted by the court and:
  - (i) the identified prospective adoptive parent did not finalize the adoption; or
  - (ii) the adoption finalized but subsequently dissolved and the child returned to foster care and guardianship of the commissioner;
- (4) a child who is ten years of age or older; ;
- (5) the responsible social services agency; ; or

(6) a guardian ad litem may file a petition for the reestablishment of the legal parent and child relationship.

(b) A parent filing a petition under this section shall pay a filing fee in the amount required under section 357.021, subdivision 2, clause (1). The filing fee may be waived pursuant to chapter 563. A petition for the reestablishment of the legal parent and child relationship may be filed when:

- (1) the parent has corrected the conditions that led to an order terminating parental rights;
- (2) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child;
- (3) the child has been in foster care for at least 24 months after the court issued the order terminating parental rights;
- (4) the child ~~has~~ is not ~~been~~ currently adopted; and
- (5) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2.

Sec. 30. Minnesota Statutes 2024, section 260C.329, subdivision 8, is amended to read:

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

- (1) reestablishment of the legal parent and child relationship is in the child's best interests;
- (2) the child ~~has~~ is not ~~been~~ currently adopted;
- (3) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2;
- (4) at least 24 months have elapsed following a final order terminating parental rights and the child remains in foster care;
- (5) the child desires to reside with the parent;
- (6) the parent has corrected the conditions that led to an order terminating parental rights; and
- (7) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child.

Sec. 31. Minnesota Statutes 2024, section 260C.451, subdivision 9, is amended to read:

Subd. 9. **Administrative or court review of placements.** (a) The court ~~shall~~ must conduct reviews at least annually to ensure the responsible social services agency is making reasonable efforts to finalize the permanency plan for the child.

(b) The responsible social services agency must file a written report with the court containing or attaching the following:

- (1) the child's name, date of birth, race, gender, and current address;

(2) a written summary describing planning with the child, including supports and services to ensure the child's safety, housing stability, well-being needs, and independent living skills;

(3) the child's most recent out-of-home placement plan and independent living plan required under section 260C.212, subdivision 1;

(4) if the child's plan is to not continue in extended foster care or if the child will reach age 21 before the next review, a copy of their 180-day transition plan as required in section 260C.452, subdivision 4; and

(5) if the agency plans to transition the child into adult services, a summary of the transition plan as required in section 260C.452, subdivision 4, and how this plan is in the child's best interest.

~~(b)~~ (c) The court ~~shall~~ must find that the responsible social services agency is making reasonable efforts to finalize the permanency plan for the child when the responsible social services agency:

(1) provides appropriate support to the child and caregiver or foster care provider parent to ensure continuing stability and success in placement;

(2) works with the child to plan for transition to adulthood and assists the child in demonstrating progress in achieving related goals;

(3) works with the child to plan for independent living skills and assists the child in demonstrating progress in achieving independent living goals; and

(4) prepares the child for independence according to sections 260C.203, paragraph (d), and 260C.452, subdivision 4.

~~(e)~~ (d) The responsible social services agency must ensure that an administrative review that meets the requirements of this section and section 260C.203 is completed at least six months after each of the court's annual reviews.

Sec. 32. Minnesota Statutes 2024, section 260C.452, subdivision 4, is amended to read:

Subd. 4. **Administrative or court review of placements.** (a) When the youth is 14 years of age or older, the court, in consultation with the youth, shall review the youth's independent living plan according to section 260C.203, paragraph (d).

(b) The responsible social services agency shall file a copy of the notification of foster care benefits for a youth who is 18 years of age or older according to section 260C.451, subdivision 1, with the court. If the responsible social services agency does not file the notice by the time the youth is 17-1/2 years of age, the court shall require the responsible social services agency to file the notice.

(c) When a youth is 18 years of age or older, the court shall ensure that the responsible social services agency assists the youth in obtaining the following documents before the youth leaves foster care: a Social Security card; an official or certified copy of the youth's birth certificate; a state identification card or driver's license, Tribal enrollment identification card, ~~green~~ permanent resident card, or school visa; health insurance information; the youth's school, medical, and dental records; a contact list of the youth's medical, dental, and mental health providers; and contact information for the youth's siblings, if the siblings are in foster care.

(d) For a youth who will be discharged from foster care at 18 years of age or older because the youth is not eligible for extended foster care benefits or chooses to leave foster care, the responsible social services agency must develop a personalized transition plan as directed by the youth during the 180-day period immediately prior to the expected date of discharge. The transition plan must be as detailed as the youth elects and include specific options, including but not limited to:

- (1) affordable housing with necessary supports that does not include a homeless shelter;
- (2) health insurance, including eligibility for medical assistance as defined in section 256B.055, subdivision 17;
- (3) education, including application to the Education and Training Voucher Program;
- (4) local opportunities for mentors and continuing support services;
- (5) workforce supports and employment services;
- (6) a copy of the youth's consumer credit report as defined in section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report, at no cost to the youth;
- (7) information on executing a health care directive under chapter 145C and on the importance of designating another individual to make health care decisions on behalf of the youth if the youth becomes unable to participate in decisions;
- (8) appropriate contact information through 21 years of age if the youth needs information or help dealing with a crisis situation; and
- (9) official documentation that the youth was previously in foster care.

Sec. 33. Minnesota Statutes 2024, section 260E.03, subdivision 15, is amended to read:

Subd. 15. **Neglect.** (a) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (8), other than by accidental means:

- (1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;
- (2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;
- (3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;
- (4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(6) medical neglect, as defined in section 260C.007, subdivision 6, clause (5);

(7) chronic and severe use of alcohol or a controlled substance by a person responsible for the child's care that adversely affects the child's basic needs and safety; or

(8) emotional harm from a pattern of behavior that contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(b) Nothing in this chapter shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care.

(c) This chapter does not impose upon persons not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care a duty to provide that care.

(d) Nothing in this chapter shall be construed to mean that a child who has a mental, physical, or emotional condition is neglected solely because the child remains in an emergency department or hospital setting because services, including residential treatment, that are deemed necessary by the child's medical or mental health care professional or county case manager are not available to the child's parent, guardian, or other person responsible for the child's care, and the child cannot be safely discharged to the child's family.

Sec. 34. Minnesota Statutes 2024, section 260E.065, is amended to read:

#### **260E.065 TRAINING FOR REPORTERS.**

Subdivision 1. **Required training.** The local welfare agency must offer training to a person required to make a report under section 260E.055 or 260E.06. The training may be offered online or in person and must provide an explanation of the legal obligations of a reporter, consequences for failure to report, and instruction on how to detect and report suspected maltreatment or suspected abuse, as defined under section 260E.055, subdivision 1, paragraph (b). A local welfare agency may fulfill the requirement under this section by directing reporters to trainings offered by the commissioner.

Subd. 2. **Training content.** For a training under this section, at least half of the training time must be spent on how to identify signs of suspected maltreatment or abuse, as defined in section 260E.055, subdivision 1, paragraph (b). The training must cover the definition of each maltreatment type as defined in section 260E.03, subdivision 12.

Subd. 3. **Expert input.** The commissioner must create trainings with input from professionals with specialized knowledge related to maltreatment, including but not limited to medical professionals, attorneys, mental health professionals, and social workers.

Sec. 35. Minnesota Statutes 2024, section 260E.09, is amended to read:

**260E.09 REPORTING REQUIREMENTS.**

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph. The local welfare agency or agency responsible for assessing or investigating the report shall ask the reporter if the reporter is aware of the child or family heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

Sec. 36. Minnesota Statutes 2024, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment, noncaregiver human trafficking assessment, or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment, noncaregiver human trafficking assessment, or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency must coordinate a comprehensive assessment pursuant to section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(i) When conducting any assessment or investigation, the agency shall ask the child, if age appropriate; parents; extended family; and reporter about the child's family heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

Sec. 37. Minnesota Statutes 2024, section 260E.20, subdivision 3, is amended to read:

Subd. 3. **Collection of information.** (a) The local welfare agency responsible for conducting a family assessment, noncaregiver human trafficking assessment, or investigation shall collect available and relevant information to determine child safety, risk of subsequent maltreatment, and family strengths and needs and share not public information with an Indian's Tribal social services agency without violating any law of the state that may otherwise impose a duty of confidentiality on the local welfare agency in order to implement the Tribal state agreement.

(b) The local welfare agency or the agency responsible for investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed.

(c) Information collected includes, when relevant, information regarding the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral sources having relevant information related to the alleged maltreatment.

(d) Information relevant to the assessment or investigation must be requested, and may include:

(1) the child's sex and age; prior reports of maltreatment, including any maltreatment reports that were screened out and not accepted for assessment or investigation; information relating to developmental functioning; credibility of the child's statement; and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) except in a noncaregiver human trafficking assessment, the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions;

(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child maintained by any facility, clinic, or health care professional and an interview with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

(e) Nothing in this subdivision precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation.

(f) Notwithstanding section 13.384 or 144.291 to 144.298, the local welfare agency has access to medical data and records for purposes of paragraph (d), clause (3).

Sec. 38. **[260E.215] REPORTING OF SCHOOL ATTENDANCE CONCERNS.**

Subdivision 1. **Reports required.** (a) A person mandated to report under this chapter must immediately report to the local welfare agency or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect or truancy under section 260C.163, subdivision 11.

(b) Any person may make a voluntary report if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect or truancy under section 260C.163, subdivision 11.

(c) An oral report must be made immediately. An oral report made by a person required to report under paragraph (a) must be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. A report must sufficiently identify the child and the child's parent or guardian, the actual or estimated number of the child's unexcused absences in the current school year, the efforts made by school officials to resolve attendance concerns with the family, and the name and address of the reporter. A voluntary reporter under paragraph (b) may refuse to provide their name or address if the report is otherwise sufficient, and the local welfare agency must accept such a report.

Subd. 2. **Local welfare agency.** (a) The local welfare agency or partner designated to provide child welfare services must provide a child welfare response for a report that alleges a child enrolled in school has seven or more unexcused absences. When providing a child welfare response under this paragraph, the local welfare agency or designated partner must offer services to the child and the child's family to address school attendance concerns or may partner with a county attorney's office, a community-based organization, or other community partner to provide the services. The services must be culturally and linguistically appropriate and tailored to the needs of the child and the child's family. This section is subject to the requirements of the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835 and the Minnesota African American Family Preservation and Child Welfare Disproportionality Act under sections 260.61 to 260.693.

(b) If the unexcused absences continue and the family has not engaged with services under paragraph (a) after the local welfare agency or partner designated to provide child welfare services has made multiple varied attempts to engage the child's family, a report of educational neglect must be made regardless of the number of unexcused absences the child has accrued. The local welfare agency must determine the response path assignment pursuant to section 260E.17 and may proceed with the process outlined in section 260C.141.

Sec. 39. Minnesota Statutes 2024, section 260E.24, subdivision 1, is amended to read:

Subdivision 1. **Timing.** The local welfare agency shall conclude the family assessment, the noncaregiver human trafficking assessment, or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

Sec. 40. Minnesota Statutes 2024, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver human trafficking assessment.** After conducting a family assessment or a noncaregiver human trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment or noncaregiver human trafficking assessment in the child's or family's case notes.



Sec. 41. **REVISOR INSTRUCTION.**

The revisor of statutes shall change paragraphs to subdivisions, clauses to paragraphs, and items to clauses in Minnesota Statutes, sections 260C.203 and 260C.204. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes. The revisor of statutes must correct any statutory cross-references consistent with the changes in this section.

ARTICLE 3  
CHILD PROTECTION AND WELFARE FINANCE

Section 1. Minnesota Statutes 2024, section 142A.03, subdivision 2, is amended to read:

Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the commissioner. Any money received under this paragraph is appropriated and dedicated for the purpose for which the money is granted. The commissioner must biennially report to the chairs and ranking minority members of relevant legislative committees and divisions by January 15 of each even-numbered year a list of all grants and gifts received under this subdivision.

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

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

(d) The commissioner must develop program objectives and performance measures for evaluating progress toward achieving the objectives. The commissioner must identify the objectives, performance measures, and current status of achieving the measures in a biennial report to the chairs and ranking minority members of relevant legislative committees and divisions. The report is due no later than January 15 each even-numbered year. The report must include, when possible, the following objectives:

(1) centering and including the lived experiences of children and youth, including those with disabilities and mental illness and their families, in all aspects of the department's work;

(2) increasing the effectiveness of the department's programs in addressing the needs of children and youth facing racial, economic, or geographic inequities;

(3) increasing coordination and reducing inefficiencies among the department's programs and the funding sources that support the programs;

(4) increasing the alignment and coordination of family access to child care and early learning programs and improving systems of support for early childhood and learning providers and services;

(5) improving the connection between the department's programs and the kindergarten through grade 12 and higher education systems; and

(6) minimizing and streamlining the effort required of youth and families to receive services to which the youth and families are entitled.

(e) The commissioner shall administer and supervise the forms of public assistance and other activities or services that are vested in the commissioner. Administration and supervision of activities or services includes but is not limited to assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising activities vested by law in the department, the commissioner has the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing the programs and activities administered by the commissioner;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of activities and programs; enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services; and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(5) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 142A.10;

(6) make contracts with and grants to public and private agencies and organizations, both for-profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and Tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

The commissioner shall work in conjunction with the commissioner of human services to carry out the duties of this paragraph when necessary and feasible.

(f) The commissioner shall inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs and activities administered by the commissioner.

(g) The commissioner shall administer and supervise child welfare activities, including promoting the enforcement of laws preventing child maltreatment and protecting children with a disability and children who are in need of protection or services, licensing and supervising child care and child-placing agencies, and supervising the care of children in foster care. The commissioner shall coordinate with the commissioner of human services on activities impacting children overseen by the Department of Human Services, such as disability services, behavioral health, and substance use disorder treatment.

(h) The commissioner shall assist and cooperate with local, state, and federal departments, agencies, and institutions.

(i) The commissioner shall establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(j) The commissioner shall act as designated guardian of children pursuant to chapter 260C. For children under the guardianship of the commissioner or a Tribe in Minnesota recognized by the Secretary of the Interior whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide adoption services. For children in out-of-home care whose interests would be best served by a transfer of permanent legal and physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal code, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide permanency services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs or Tribal social services, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative, Tribal governing body, or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(k) The commissioner has the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public benefits. To carry out the experimental projects, the commissioner may waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law. No project under this paragraph shall exceed four years. No order establishing an experimental project as authorized by this paragraph is effective until the following conditions have been met:

(1) the United States Secretary of Health and Human Services has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, has been approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(l) The commissioner shall, according to federal requirements and in coordination with the commissioner of human services, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(m) The commissioner shall allocate federal fiscal disallowances or sanctions that are based on quality control error rates for the aid to families with dependent children (AFDC) program formerly codified in sections 256.72 to 256.87 or the Supplemental Nutrition Assistance Program (SNAP) in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For AFDC, disallowances shall be shared by each county board in the same proportion as that county's expenditures to the total of all counties' expenditures for AFDC. For SNAP, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for SNAP benefits are to the total of all SNAP administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of SNAP benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due under this paragraph, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance that resulted from the noncompliance and may distribute the balance of the disallowance according to clause (1).

(n) The commissioner shall develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) The commissioner has the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for programs administered by the commissioner. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) The commissioner shall allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) The commissioner is responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the programs administered by the department. The commissioner shall cooperate with the commissioner of education to enforce the requirements for program integrity and fraud prevention for investigation for child care assistance under chapter 142E.

(r) The commissioner shall require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the programs administered by the department.

(s) The commissioner shall develop recommended standards for child foster care homes that address the components of specialized therapeutic services to be provided by child foster care homes with those services.

(t) The commissioner shall authorize the method of payment to or from the department as part of the programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the programs administered by the department.

(u) In coordination with the commissioner of human services, the commissioner shall create and provide county and Tribal agencies with blank applications, affidavits, and other forms as necessary for public assistance programs.

(v) The commissioner shall cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for temporary assistance for needy families and in conformity with Title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments, including making reports that contain information required by the federal Social Security Advisory Board and complying with any provisions the board may find necessary to assure the correctness and verification of the reports.

(w) On or before January 15 in each even-numbered year, the commissioner shall make a biennial report to the governor concerning the activities of the agency.

(x) The commissioner shall enter into agreements with other departments of the state as necessary to meet all requirements of the federal government.

(y) The commissioner may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving Minnesota family investment program (MFIP) assistance or its out-of-state equivalent moves or contemplates moving into or out of the state, in order that the child may continue to receive MFIP or equivalent aid from the state moved from until the child has resided for one year in the state moved to.

(z) The commissioner shall provide appropriate technical assistance to county agencies to develop methods to have county financial workers remind and encourage recipients of aid to families with dependent children, the Minnesota family investment program, the Minnesota family investment plan, family general assistance, or SNAP benefits whose assistance unit includes at least one child under the age of five to have each young child immunized against childhood diseases. The commissioner must examine the feasibility of utilizing the capacity of a statewide computer system to assist county agency financial workers in performing this function at appropriate intervals.

(aa) The commissioner shall have the power and authority to accept on behalf of the state contributions and gifts for the use and benefit of children under the guardianship or custody of the commissioner. The commissioner may also receive and accept on behalf of such children money due and payable to them as old age and survivors insurance benefits, veterans benefits, pensions, or other such monetary benefits. Gifts, contributions, pensions, and benefits under this paragraph must be deposited in and disbursed from the social welfare fund provided for in sections 256.88 to 256.92.

(bb) The specific enumeration of powers and duties in this section must not be construed to be a limitation upon the general powers granted to the commissioner.

Sec. 2. Minnesota Statutes 2024, section 260.810, subdivision 1, is amended to read:

Subdivision 1. **Payments.** The commissioner shall make grant payments to each approved program in four quarterly installments a year. The commissioner may certify an advance payment for the first quarter of the state fiscal year. Later payments must be made ~~upon receipt by the state of a quarterly report on finances and program activities~~ quarterly.

Sec. 3. Minnesota Statutes 2024, section 260.810, subdivision 2, is amended to read:

Subd. 2. **Quarterly report Reporting.** The commissioner shall ~~specify~~ engage Tribal and urban Indian organizations to establish requirements for reports and reporting timelines, including ~~quarterly~~ fiscal reports submitted to the commissioner at least annually, according to section 142A.03, subdivision 2, paragraph (o). Each ~~quarter~~ reporting period as agreed upon by the commissioner and grantee, an approved program receiving an Indian child welfare grant shall submit a report to the commissioner that includes:

(1) a detailed accounting of grant money expended during the preceding ~~quarter~~ reporting period, specifying expenditures by line item and year to date; and

(2) a description of Indian child welfare activities conducted during the preceding ~~quarter~~ reporting period, including the number of clients served and the type of services provided.

~~The quarterly~~ Reports must be submitted no later than 30 days after the ~~end of each quarter~~ agreed upon reporting timelines of the state fiscal year.

Sec. 4. Minnesota Statutes 2024, section 260.821, subdivision 2, is amended to read:

Subd. 2. **Special focus grants.** The amount available for grants established under section 260.785, subdivision 2, for child-placing agencies, Tribes, Indian organizations, and other social services organizations is one-fifth of the total annual appropriation for Indian child welfare grants. ~~The maximum award under this subdivision is \$100,000 a year for programs approved by the commissioner.~~

Sec. 5. Minnesota Statutes 2024, section 518.68, subdivision 2, is amended to read:

Subd. 2. **Contents.** (a) This subdivision expires January 1, 2027. For orders issued prior to January 1, 2027, the required notices must be substantially as follows:

## IMPORTANT NOTICE

## 1. PAYMENTS TO PUBLIC AGENCY

According to Minnesota Statutes, section 518A.50, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

## 2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS -- A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), according to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

## 3. NONSUPPORT OF A SPOUSE OR CHILD -- CRIMINAL PENALTIES

A person who fails to pay court-ordered child support or maintenance may be charged with a crime, which may include misdemeanor, gross misdemeanor, or felony charges, according to Minnesota Statutes, section 609.375. A copy of that section is available from any district court clerk.

## 4. RULES OF SUPPORT, MAINTENANCE, PARENTING TIME

(a) Payment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of parenting time is NOT an excuse for nonpayment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) Nonpayment of support is not grounds to deny parenting time. The party entitled to receive support may apply for support and collection services, file a contempt motion, or obtain a judgment as provided in Minnesota Statutes, section 548.091.

(d) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(e) A party who accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

(f) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

(g) Reasonable parenting time guidelines are contained in Appendix B, which is available from the court administrator.

(h) The nonpayment of support may be enforced through the denial of student grants; interception of state and federal tax refunds; suspension of driver's, recreational, and occupational licenses; referral to the department of revenue or private collection agencies; seizure of assets, including bank accounts and other assets held by financial institutions; reporting to credit bureaus; income withholding and contempt proceedings; and other enforcement methods allowed by law.

(i) The public authority may suspend or resume collection of the amount allocated for child care expenses if the conditions of Minnesota Statutes, section 518A.40, subdivision 4, are met.

(j) The public authority may remove or resume a medical support offset if the conditions of Minnesota Statutes, section 518A.41, subdivision 16, are met.

#### 5. MODIFYING CHILD SUPPORT

If either the obligor or obligee is laid off from employment or receives a pay reduction, child support may be modified, increased, or decreased. Any modification will only take effect when it is ordered by the court, and will only relate back to the time that a motion is filed. Either the obligor or obligee may file a motion to modify child support, and may request the public agency for help. UNTIL A MOTION IS FILED, THE CHILD SUPPORT OBLIGATION WILL CONTINUE AT THE CURRENT LEVEL. THE COURT IS NOT PERMITTED TO REDUCE SUPPORT RETROACTIVELY.

#### 6. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the Court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

#### 7. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, section 518A.53 have been met. A copy of those sections is available from any district court clerk.

#### 8. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, each party shall notify the other party, the court, and the public authority responsible for collection, if applicable, of the following information within ten days of any change: the residential and mailing address, telephone number, driver's license number, Social Security number, and name, address, and telephone number of the employer.



## 9. COST OF LIVING INCREASE OF SUPPORT AND MAINTENANCE

Prior to January 1, 2027, basic support and/or spousal maintenance may be adjusted every two years based upon a change in the cost of living (using Department of Labor Consumer Price Index ....., unless otherwise specified in this order) when the conditions of Minnesota Statutes, section 518A.75, are met. Cost of living increases are compounded. A copy of Minnesota Statutes, section 518A.75, and forms necessary to request or contest a cost of living increase are available from any district court clerk.

## 10. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091.

## 11. JUDGMENTS FOR UNPAID MAINTENANCE

(a) A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes, section 548.091, are met. A copy of that section is available from any district court clerk.

(b) The public authority is not responsible for calculating interest on any judgment for unpaid spousal maintenance. When providing services in IV-D cases, as defined in Minnesota Statutes, section 518A.26, subdivision 10, the public authority will only collect interest on spousal maintenance if spousal maintenance is reduced to a sum certain judgment.

## 12. ATTORNEY FEES AND COLLECTION COSTS FOR ENFORCEMENT OF CHILD SUPPORT

A judgment for attorney fees and other collection costs incurred in enforcing a child support order will be entered against the person responsible to pay support when the conditions of Minnesota Statutes, section 518A.735, are met. A copy of Minnesota Statutes, sections 518.14 and 518A.735 and forms necessary to request or contest these attorney fees and collection costs are available from any district court clerk.

## 13. PARENTING TIME EXPEDITOR PROCESS

On request of either party or on its own motion, the court may appoint a parenting time expeditor to resolve parenting time disputes under Minnesota Statutes, section 518.1751. A copy of that section and a description of the expeditor process is available from any district court clerk.

## 14. PARENTING TIME REMEDIES AND PENALTIES

Remedies and penalties for the wrongful denial of parenting time are available under Minnesota Statutes, section 518.175, subdivision 6. These include compensatory parenting time; civil penalties; bond requirements; contempt; and reversal of custody. A copy of that subdivision and forms for requesting relief are available from any district court clerk.

(b) For orders issued on or after January 1, 2027, the required notices must be substantially as follows:

### IMPORTANT NOTICE

#### 1. PAYMENTS TO PUBLIC AGENCY

According to Minnesota Statutes, section 518A.50, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

#### 2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS -- A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), according to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

#### 3. NONSUPPORT OF A SPOUSE OR CHILD -- CRIMINAL PENALTIES

A person who fails to pay court-ordered child support or maintenance may be charged with a crime, which may include misdemeanor, gross misdemeanor, or felony charges, according to Minnesota Statutes, section 609.375. A copy of that section is available from any district court clerk.

#### 4. RULES OF SUPPORT, MAINTENANCE, PARENTING TIME

(a) Payment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of parenting time is NOT an excuse for nonpayment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) Nonpayment of support is not grounds to deny parenting time. The party entitled to receive support may apply for support and collection services, file a contempt motion, or obtain a judgment as provided in Minnesota Statutes, section 548.091.

(d) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(e) A party who accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

(f) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

(g) Reasonable parenting time guidelines are contained in Appendix B, which is available from the court administrator.

(h) The nonpayment of support may be enforced through the denial of student grants; interception of state and federal tax refunds; suspension of driver's, recreational, and occupational licenses; referral to the Department of Revenue or private collection agencies; seizure of assets, including bank accounts and other assets held by financial institutions; reporting to credit bureaus; income withholding and contempt proceedings; and other enforcement methods allowed by law.

(i) The public authority may suspend or resume collection of the amount allocated for child care expenses if the conditions of Minnesota Statutes, section 518A.40, subdivision 4, are met.

(j) The public authority may remove or resume a medical support offset if the conditions of Minnesota Statutes, section 518A.41, subdivision 16, are met.

#### 5. MODIFYING CHILD SUPPORT

If either the obligor or obligee is laid off from employment or receives a pay reduction, child support may be modified, increased, or decreased. Any modification will only take effect when it is ordered by the court, and will only relate back to the time that a motion is filed. Either the obligor or obligee may file a motion to modify child support, and may request the public agency for help. UNTIL A MOTION IS FILED, THE CHILD SUPPORT OBLIGATION WILL CONTINUE AT THE CURRENT LEVEL. THE COURT IS NOT PERMITTED TO REDUCE SUPPORT RETROACTIVELY.

#### 6. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress, and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

#### 7. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, section 518A.53, have been met. A copy of those sections is available from any district court clerk.

#### 8. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, each party shall notify the other party, the court, and the public authority responsible for collection, if applicable, of the following information within ten days of any change: the residential and mailing address, telephone number, driver's license number, Social Security number, and name, address, and telephone number of the employer.

## 9. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091.

## 10. JUDGMENTS FOR UNPAID MAINTENANCE

(a) A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes, section 548.091, are met. A copy of that section is available from any district court clerk.

(b) The public authority is not responsible for calculating interest on any judgment for unpaid spousal maintenance. When providing services in IV-D cases, as defined in Minnesota Statutes, section 518A.26, subdivision 10, the public authority will only collect interest on spousal maintenance if spousal maintenance is reduced to a sum certain judgment.

## 11. ATTORNEY FEES AND COLLECTION COSTS FOR ENFORCEMENT OF CHILD SUPPORT

A judgment for attorney fees and other collection costs incurred in enforcing a child support order will be entered against the person responsible to pay support when the conditions of Minnesota Statutes, section 518A.735, are met. A copy of Minnesota Statutes, sections 518.14 and 518A.735, and forms necessary to request or contest these attorney fees and collection costs are available from any district court clerk.

## 12. PARENTING TIME EXPEDITOR PROCESS

On request of either party or on its own motion, the court may appoint a parenting time expeditor to resolve parenting time disputes under Minnesota Statutes, section 518.1751. A copy of that section and a description of the expeditor process is available from any district court clerk.

## 13. PARENTING TIME REMEDIES AND PENALTIES

Remedies and penalties for the wrongful denial of parenting time are available under Minnesota Statutes, section 518.175, subdivision 6. These include compensatory parenting time, civil penalties, bond requirements, contempt, and reversal of custody. A copy of that subdivision and forms for requesting relief are available from any district court clerk.

Sec. 6. Minnesota Statutes 2024, section 518A.34, is amended to read:

### **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

(a) To determine the presumptive child support obligation of a parent, the court shall follow the procedure set forth in this section.

(b) To determine the obligor's basic support obligation, the court shall:

(1) determine the gross income of each parent under section 518A.29;

(2) calculate the parental income for determining child support (PICS) of each parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint children under section 518A.33;

(3) determine the percentage contribution of each parent to the combined PICS by dividing the combined PICS into each parent's PICS;

(4) determine the combined basic support obligation by application of the guidelines in section 518A.35;

(5) determine each parent's share of the combined basic support obligation by multiplying the percentage figure from clause (3) by the combined basic support obligation in clause (4); and

(6) apply the parenting expense adjustment formula provided in section 518A.36 to determine the obligor's basic support obligation.

(c) If the parents have split custody of joint children, child support must be calculated for each joint child as follows:

(1) the court shall determine each parent's basic support obligation under paragraph (b) and include the amount of each parent's obligation in the court order. If the basic support calculation results in each parent owing support to the other, the court shall offset the higher basic support obligation with the lower basic support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. For the purpose of ~~the cost of living adjustment required under section 518A.75, the adjustment a future modification, the application of section 518A.39~~ must be based on each parent's basic support obligation prior to offset. For the purposes of this paragraph, "split custody" means that there are two or more joint children and each parent has at least one joint child more than 50 percent of the time;

(2) if each parent pays all child care expenses for at least one joint child, the court shall calculate child care support for each joint child as provided in section 518A.40. The court shall determine each parent's child care support obligation and include the amount of each parent's obligation in the court order. If the child care support calculation results in each parent owing support to the other, the court shall offset the higher child care support obligation with the lower child care support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation; and

(3) if each parent pays all medical or dental insurance expenses for at least one joint child, medical support shall be calculated for each joint child as provided in section 518A.41. The court shall determine each parent's medical support obligation and include the amount of each parent's obligation in the court order. If the medical support calculation results in each parent owing support to the other, the court shall offset the higher medical support obligation with the lower medical support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as provided in section 518A.41.

(d) The court shall determine the child care support obligation for the obligor as provided in section 518A.40.

(e) The court shall determine the medical support obligation for each parent as provided in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as described in section 518A.41.

(f) The court shall determine each parent's total child support obligation by adding together each parent's basic support, child care support, and health care coverage obligations as provided in this section.

(g) If Social Security benefits or veterans' benefits are received by one parent as a representative payee for a joint child based on the other parent's eligibility, the court shall subtract the amount of benefits from the other parent's net child support obligation, if any. Any benefit received by the obligee for the benefit of the joint child based upon the obligor's disability or past earnings in any given month in excess of the child support obligation must not be treated as an arrearage payment or a future payment.

(h) The final child support order shall separately designate the amount owed for basic support, child care support, and medical support. If applicable, the court shall use the self-support adjustment and minimum support adjustment under section 518A.42 to determine the obligor's child support obligation.

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

Sec. 7. Minnesota Statutes 2024, section 518A.46, subdivision 7, is amended to read:

Subd. 7. **Administrative redirection of support.** (a) The public authority must provide written notice of redirection to the obligee, the obligor, and the caregiver. The notice must be mailed to the obligor, obligee, and caregiver at the obligee's, the obligor's, and the caregiver's respective last known address. The notice must state the name of the child or children for whom support will be redirected, to whom the support will be redirected, the date the support will be redirected, and the amount of the support that will be redirected. The notice must also inform the parties of the right to contest the redirection of support according to paragraph (c).

(b) If fewer than all of the children for whom the support is ordered reside with the caregiver, the public authority must redirect the proportional share of the support for the number of children residing with the caregiver.

(c) The obligee or obligor may contest the redirection of support on the limited grounds that:

(1) the child or children do not reside or no longer reside with the caregiver;

(2) under an out-of-home placement plan under section 260C.212, subdivision 1, that includes a plan for reunification, all or part of the support is needed to maintain the obligee's home; or

(3) the redirection of support is not in the best interests of the child.

(d) To contest the redirection, the obligee or obligor must make a written request for a hearing to the public authority within 30 calendar days of the date of the written notice of redirection. The hearing must be held at the earliest practicable time, but no later than 30 calendar days from the date the public authority receives the written request for a hearing. If the public authority receives a timely written request for a hearing, the public authority must schedule a hearing and serve the obligee and the obligor with a notice of hearing at least 14 days before the date of the hearing. The notice must be served personally or by mail at the obligee's and the obligor's respective last known address. The public authority must file with the court the notice of hearing along with the notice of redirection at least five days before the scheduled hearing. The court administrator must schedule these hearings to be heard in the expedited process before a child support magistrate, but may schedule these hearings in district court if the availability of a child support magistrate does not permit a hearing to occur within the time frames of this subdivision.

(e) If neither the obligee nor the obligor contests the redirection of support under this subdivision, support must be redirected to the caregiver effective the first day of the month following the expiration of the time period to contest under paragraph (d). If the obligee or the obligor contests the redirection of support under paragraph (d), the public authority must not redirect support to the caregiver pending the outcome of the hearing.

(f) The redirection of the basic support, medical support, and child care support terminates and the public authority must direct support to the obligee if the public authority determines that:

(1) the caregiver for the child no longer receives public assistance for the child;

(2) the voluntary placement agreement expires; ~~or~~

(3) the court order placing the child is no longer in effect- ; or

(4) the redirection of support is not in the best interests of the child as determined under section 260B.331, subdivision 1, or 260C.331, subdivision 1.

(g) The public authority must notify the obligee, obligor, and caregiver of a termination of the redirection of support by mailing a written notice to each of them at their last known address. The termination is effective the first day of the month that occurs at least 14 calendar days after the date the notice is mailed.

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

Sec. 8. Minnesota Statutes 2024, section 518A.75, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) An order establishing, modifying, or enforcing maintenance or child support shall provide for a biennial adjustment in the amount to be paid based on a change in the cost of living. An order that provides for a cost-of-living adjustment shall specify the cost-of-living index to be applied and the date on which the cost-of-living adjustment shall become effective. The court may use the Consumer Price Index for all urban consumers, Minneapolis-St. Paul (CPI-U), the Consumer Price Index for wage earners and clerical, Minneapolis-St. Paul (CPI-W), or another cost-of-living index published by the Department of Labor which it specifically finds is more appropriate. Cost-of-living increases under this section shall be compounded. The court may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings.

(b) The adjustment becomes effective on the first of May of the year in which it is made, for cases in which payment is made to the public authority. For cases in which payment is not made to the public authority, application for an adjustment may be made in any month but no application for an adjustment may be made sooner than two years after the date of the dissolution decree. A court may waive the requirement of the cost-of-living clause if it expressly finds that the obligor's occupation or income, or both, does not provide for cost-of-living adjustment or that the order for maintenance or child support has a provision such as a step increase that has the effect of a cost-of-living clause. The court may waive a cost-of-living adjustment in a maintenance order if the parties so agree in writing. The commissioner of children, youth, and families may promulgate rules for child support adjustments under this section in accordance with the rulemaking provisions of chapter 14. Notice of this statute must comply with section 518.68, subdivision 2.

(c) No adjustment under this section shall be made after January 1, 2027, for any maintenance or child support order established before, on, or after January 1, 2027.

Sec. 9. **SOCIAL SERVICES INFORMATION SYSTEM MODERNIZATION.**

(a) The commissioner of children, youth, and families must improve and modernize the child welfare social services information system. Elements the commissioner must address as part of the system modernization include but are not limited to:

(1) capabilities that support case intake, screening, assessments, and investigations;

(2) the capacity for local social services agencies to track various financial information, including benefits received by counties on behalf of children in the child welfare system, and fees received by counties from parents with children in out-of-home placements;

(3) access for the ombudspersons for families, the ombudsperson for American Indian families, and the foster youth ombudsperson, on a case-by-case basis, to nonprivileged information necessary for the discharge of the ombudsperson's duties, including specific child protection case information, while protecting Tribal data sovereignty;

(4) comprehensive statewide data reports, including data on law enforcement involvement in the child protection system;

(5) demographic information about children in the child welfare system, including race, cultural and ethnic identity, disability status, and economic status;

(6) bidirectional data exchanges, as required by federal Comprehensive Child Welfare Information System regulations; and

(7) data quality measures, as required by federal Comprehensive Child Welfare Information System regulations.

(b) By March 15, 2026, the commissioner of children, youth, and families must provide the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare and state and local government with a plan and estimated timeline for modernization of the social services information system in compliance with state law and federal Comprehensive Child Welfare Information System requirements.

(c) By August 15, 2026, and by each January 15 and July 15 thereafter, the commissioner must provide an update on the social services information system modernization efforts and progress toward federal compliance required under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare and state and local government. This paragraph expires upon the commissioner's report to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare and state and local government that the modernization required under this section has been substantially completed.

#### ARTICLE 4 EARLY CARE AND LEARNING POLICY

Section 1. Minnesota Statutes 2024, section 142A.42, is amended to read:

##### **142A.42 DIAPER DISTRIBUTION GRANT PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of children, youth, and families shall establish a diaper distribution program to award ~~competitive grants to eligible applicants~~ a sole-source grant to the Diaper Bank of Minnesota to provide diapers to underresourced families statewide.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, ~~an applicant~~ the Diaper Bank of Minnesota must demonstrate its capacity to distribute diapers statewide by having:

- (1) a network of well-established partners for diaper distribution;
- (2) the infrastructure needed to efficiently manage diaper procurement and distribution statewide;
- (3) relationships with national organizations that support and enhance the work of addressing diaper need;
- (4) the ability to engage in building community awareness of diaper need and advocate for diaper need at local, state, and federal levels;
- (5) a commitment to and demonstration of working with organizations across ideological and political spectrums;
- (6) the ability to address diaper need for children from birth through early childhood; and



(7) a commitment to working within an equity framework by ensuring access to organizations that provide culturally specific services or are located in communities with high concentrations of poverty.

Subd. 3. **Application.** ~~Applicants~~ The Diaper Bank of Minnesota must apply to the commissioner in a form and manner prescribed by the commissioner. Applications must be filed at the times and for the periods determined by the commissioner.

Subd. 4. **Eligible uses of grant money.** ~~An eligible applicant that receives grant money under this section shall~~ The Diaper Bank of Minnesota must use the money awarded under this section to purchase diapers and wipes and may use up to ten percent of the money for administrative costs.

Subd. 5. **Enforcement.** (a) ~~An eligible applicant that receives grant money under this section~~ The Diaper Bank of Minnesota must:

- (1) retain records documenting expenditure of the grant money;
  - (2) report to the commissioner on the use of the grant money; and
  - (3) comply with any additional requirements imposed by the commissioner.
- (b) The commissioner may require that a report submitted under this subdivision include an independent audit.

Sec. 2. Minnesota Statutes 2024, section 142D.21, subdivision 6, is amended to read:

Subd. 6. **Payments.** (a) The commissioner shall provide payments under this section to all eligible programs on a noncompetitive basis. The payment amounts shall be based on the number of full-time equivalent staff who regularly care for children in the program, including any employees, sole proprietors, or independent contractors.

(b) For purposes of this section, "one full-time equivalent" is defined as an individual caring for children 32 hours per week. An individual can count as more or less than one full-time equivalent staff, but as no more than two full-time equivalent staff.

(c) The commissioner must establish an amount to award per full-time equivalent individual who regularly cares for children in the program.

~~(d) Payments must be increased by ten percent for programs receiving child care assistance payments under section 142E.08 or 142E.17 or early learning scholarships under section 142D.25, or for programs located in a child care access equity area. The commissioner must develop a method for establishing child care access equity areas. For purposes of this section, "child care access equity area" means an area with low access to child care, high poverty rates, high unemployment rates, low homeownership rates, and low median household incomes.~~

~~(e)~~ (d) The commissioner shall establish the form, frequency, and manner for making payments under this section.

Sec. 3. Minnesota Statutes 2024, section 142D.21, is amended by adding a subdivision to read:

Subd. 11. **Data.** (a) For the purposes of this subdivision, the following terms have the meanings given in this paragraph.

(1) "Great start compensation program support payment data" means data for a specified time period showing that a great start compensation payment under this section was made and the amount of great start compensation payments made to a child care and early learning program.

(2) "Data on children and families" means data about the enrollment and attendance as described in subdivision 3, paragraph (a), clause (2).

(b) Great start compensation program support payment data are public except that:

(1) any data on children and families collected by the great start compensation support payment program that may identify a specific family or child or, as determined by the commissioner, are private data on individuals as defined in section 13.02, subdivision 12;

(2) great start compensation payment data about operating expenses and personnel expenses are private or nonpublic data; and

(3) great start compensation payment data about legal nonlicensed child care providers as described in subdivision 8 are private or nonpublic data.

## ARTICLE 5 EARLY CARE AND LEARNING FINANCE

Section 1. Minnesota Statutes 2024, section 142B.18, subdivision 4, is amended to read:

Subd. 4. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 142A.12;

(5) revocation is required under section 142B.10, subdivision 14, paragraph (d);

(6) for a family foster setting, a license holder, or an individual living in the household where the licensed services are provided or who is otherwise subject to a background study, has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children; or

(7) suspension is necessary under subdivision 3, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. Except as provided in subdivision 3, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided under section 142B.10, subdivision 14, paragraphs (i) and (j), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of children, youth, and families, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail, by personal service, or through the provider licensing and reporting hub that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit \$5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed \$1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, ~~and failure to comply with background study requirements under chapter 245C; and~~

(v) the license holder shall forfeit \$500 for each occurrence of failure to comply with background study requirements under chapter 245C; and

~~(v)~~ (vi) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$5,000, \$1,000, ~~or \$200,~~ or \$500 fine in items (i) to ~~(iv)~~ (v) .

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

## Sec. 2. **[142B.68] VIDEO SECURITY CAMERAS IN CHILD CARE CENTERS.**

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

(b) "Facility" means the indoor and outdoor space in which child care is provided that is owned, leased, or operated by a licensed child care center and does not include any outdoor space that is not located on the same property as the licensed child care center.

(c) "Video security camera" means a closed circuit video camera or other closed circuit device that captures or records video.

**Subd. 2. Requirements for video security cameras.** (a) Beginning July 1, 2026, a licensed child care center must have video security cameras in public and shared areas of its facility as provided under this subdivision and comply with the requirements of this section if the center is required to post a maltreatment investigation memorandum under section 142B.16, subdivision 5, or 142B.18, subdivision 6. A center must comply with the requirements under this section within six months of when the maltreatment investigation memorandum is posted and must maintain compliance for the length of time the memorandum is required to be posted.

(b) A licensed child care center must have at least one video security camera in each room designated for infants or toddlers. The camera must be positioned to provide maximum visibility of the room. If one camera is not sufficient to view at least 80 percent of the square footage of the room, the center must place an additional camera or cameras in the room to achieve maximum visibility of the room.

(c) A licensed child care center must have a sufficient number of video security cameras to provide visibility of all the facility's outdoor recreational equipment used by infants or toddlers and at least 80 percent of the square footage of the facility's fenced-in outdoor space used by infants or toddlers.

(d) The video security cameras must:

(1) be turned on and recording at all times the licensed child care center is in operation;

(2) record and display the accurate date and time;

(3) have a display resolution of 720p or higher; and

(4) have a frames per second rate of 15 or higher.

(e) A licensed child care center is exempt from having cameras that meet the requirements under paragraph (d), clauses (2), (3), and (4), if the center has cameras as required in paragraphs (b) and (c) prior to July 1, 2025.

**Subd. 3. Retention and disposal of recordings; access to recordings.** (a) A licensed child care center must retain video security camera recordings for 60 calendar days after the date of the recording. Except as provided under paragraphs (b), (c), and (d), a licensed child care center must dispose of video security camera recordings after 60 calendar days.

(b) A licensed child care center that receives notice from a law enforcement official of a suspected crime committed against a child at the center may not dispose of any video security camera recordings until the law enforcement investigation of the suspected crime is complete.

(c) A licensed child care center must retain video security camera recordings related to an incident that the center must report to the commissioner under Minnesota Rules, part 9503.0130, for six months from the date of the incident.

(d) A licensed child care center may retain video security camera recordings to use for training center employees. Any recordings used for training purposes must redact, as defined under section 13.825, subdivision 1, identifying information on children shown or heard in the recording, unless a parent or legal guardian has provided written consent providing that the center may use unredacted recordings of the parent's or guardian's child.

(e) A licensed child care center must adhere to additional requirements issued by the commissioner regarding retention and disposal of video security camera recordings.

(f) A licensed child care center must establish appropriate security safeguards for video security camera recordings, including procedures for ensuring that the recordings are only accessible to persons whose work assignment reasonably requires access to the recordings, and are only accessed by those persons for purposes described in the procedure. All queries and responses, and all actions in which the recordings are accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail are subject to the same requirements as the underlying recording under this section.

Subd. 4. **Dissemination of recordings.** (a) A licensed child care center may not sell, share, transmit, or disseminate a video security camera recording to any person except as authorized by this subdivision.

(b) A child care center must disseminate a video security camera recording pursuant to a valid court order, search warrant, or subpoena in a civil, criminal, or administrative proceeding, including an investigation by the commissioner.

(c) A licensed child care center must establish a process by which a parent or legal guardian may review, but not obtain a copy of, a video security camera recording if the parent or guardian provides documentation from a physician of a child's physical injury.

(d) An employee of a licensed child care center who is the subject of proposed disciplinary action by the center based upon evidence obtained by a video security camera must be given access to that evidence for purposes of defending against the proposed action. An employee who obtains a recording or a copy of the recording must treat the recording or copy confidentially and must not further disseminate it to any other person except as required under law. The employee must not keep the recording or copy or a portion of the recording or copy after it is no longer needed for purposes of defending against a proposed action.

Subd. 5. **Exception.** Notwithstanding the requirement to have closed circuit video security cameras under this section and subdivision 4, paragraph (a), a licensed child care center that, as of July 1, 2025, provided remote viewing of video footage for parents and legal guardians may continue to do so in the same manner.

Subd. 6. **Hold harmless.** (a) The commissioner may not issue a fix-it ticket, correction order, or order of conditional license against a child care center license holder for a licensing violation that does not imminently endanger the health or safety of the children served by the center, if the only source of evidence for the violation is video security camera recordings reviewed as part of an investigation under subdivision 4, paragraph (b). This paragraph expires upon implementation of the child care weighted risk system under section 142B.171. The commissioner shall notify the revisor of statutes when the system has been implemented.

(b) Upon implementation of the child care weighted risk system under section 142B.171, the commissioner may not take a licensing action against a child care center license holder for a violation that counts as 6.5 or below for a child care center in the weighted risk system, if the only source of evidence for the violation is video security camera recordings reviewed as part of an investigation under subdivision 4, paragraph (b).

Subd. 7. **Written policy required.** A licensed child care center must have a written policy on the center's use of video security cameras that includes the following:

- (1) the days and times the video security cameras in the facility are in use;
- (2) the locations of all areas monitored by video security cameras in the facility;
- (3) the center's retention and disposal policies and procedures for the video security camera recordings;
- (4) the center's policies governing access to the video security camera recordings; and
- (5) the center's security safeguards and procedures regarding employee access to the recordings.

Subd. 8. **Notices.** (a) A licensed child care center must notify all parents and legal guardians who apply to enroll or enroll a child in the center about the use of video security cameras in the facility. At the time of a child's enrollment, the center must provide parents and legal guardians with the video security camera policy required under subdivision 7.

(b) A licensed child care center must post a sign at each facility entrance accessible to visitors that states: "Video security cameras are present to record persons and activities."

Subd. 9. **Data practices.** Video footage collected or maintained by the commissioner under this section is classified as welfare data under section 13.46.

Subd. 10. **Annual audit.** If a licensed child care center is required to have video security cameras under this section, the commissioner must conduct, as part of the annual licensing inspection required under this chapter, an audit to determine whether the center's use of video security cameras complies with the requirements of this section, including but not limited to all requirements in subdivision 3.

Sec. 3. Minnesota Statutes 2024, section 142D.21, subdivision 10, is amended to read:

Subd. 10. **Account; carryforward authority.** ~~Money appropriated under this section is available until expended.~~ (a) An account is established in the special revenue fund known as the great start compensation support payment program account.

(b) Money appropriated under this section must be transferred to the great start compensation support payment program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the purposes of this section. Any returned funds are available to be regranted.

Sec. 4. Minnesota Statutes 2024, section 142D.23, subdivision 3, is amended to read:

Subd. 3. **Eligible uses of money.** Grantees must use money received under this section, either directly or through grants to eligible child care providers, for one or more of the following purposes:

- (1) the purchase of computers or mobile devices for use in business management;
- (2) access to the Internet through the provision of necessary hardware such as routers or modems or by covering the costs of monthly fees for Internet access;
- (3) covering the costs of subscription to child care management software;
- (4) covering the costs of training in the use of technology for business management purposes; ~~or~~
- (5) providing grants for up to \$4,000 to licensed child care centers to help cover the costs of video security cameras and related training; or
- ~~(5)~~ (6) other services as determined by the commissioner.

Sec. 5. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

- (1) tuition scholarships ~~up to \$10,000 per year~~ in amounts per year consistent with the national TEACH early childhood program requirements for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's degree or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of \$250 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed or certified early childhood or child care program and working directly with children, a licensed family child care provider, employed by a public prekindergarten program, employed by a Head Start program, or an employee in a school-age program exempt from licensing under section 142B.05, subdivision 2, paragraph (a), clause (8). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute at least ten percent of the total scholarship and must be sponsored by their employers, who must also contribute at least five percent of the total scholarship. Scholarship recipients who ~~are self-employed~~ work in licensed family child care under Minnesota Rules, chapter 9502, must contribute ~~20~~ at least ten percent of the total scholarship and are not required to receive employer sponsorship or employer match.

Sec. 6. Minnesota Statutes 2024, section 142E.03, subdivision 3, is amended to read:

Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item A, the county shall conduct a redetermination according to paragraphs (b) and (c).

(b) The county shall use the redetermination form developed by the commissioner. The county must verify the factors listed in subdivision 1, paragraph (a), as part of the redetermination.

(c) An applicant's eligibility must be redetermined no more frequently than every 12 months. The following criteria apply:

(1) a family meets the eligibility redetermination requirements if a complete redetermination form and all required verifications are received within 30 days after the date the form was due;

(2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday, the 30-day time period is extended to include the next day that is not a Saturday, Sunday, or holiday. Assistance shall be payable retroactively from the redetermination due date;

(3) for a family where at least one parent is younger than 21 years of age, does not have a high school degree or commissioner of education-selected high school equivalency certification, and is a student in a school district or another similar program that provides or arranges for child care, parenting, social services, career and employment supports, and academic support to achieve high school graduation, the redetermination of eligibility may be deferred beyond 12 months, to the end of the student's school year; ~~and~~

(4) starting May 25, 2026, if a new eligible child is added to the family and has care authorized, the redetermination of eligibility must be extended 12 months from the eligible child's arrival date; and

~~(4)~~ (5) a family and the family's providers must be notified that the family's redetermination is due at least 45 days before the end of the family's 12-month eligibility period.

Sec. 7. Minnesota Statutes 2024, section 142E.11, subdivision 1, is amended to read:

Subdivision 1. **General authorization requirements.** (a) When authorizing the amount of child care, the county agency must consider the amount of time the parent reports on the application or redetermination form that the child attends preschool, a Head Start program, or school while the parent is participating in an authorized activity.



(b) Care must be authorized and scheduled with a provider based on the applicant's or participant's verified activity schedule when:

- (1) the family requests care from more than one provider per child;
- (2) the family requests care from a legal nonlicensed provider; or

(3) an applicant or participant is employed by any child care center that is licensed by the Department of Children, Youth, and Families or has been identified as a high-risk Medicaid-enrolled provider.

This paragraph expires March 2, 2026.

(c) If the family remains eligible at redetermination, a new authorization with fewer hours, the same hours, or increased hours may be determined.

Sec. 8. Minnesota Statutes 2024, section 142E.11, subdivision 2, is amended to read:

Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota Rules, chapter 3400, the amount of child care authorized under section 142E.12 for employment, education, or an MFIP employment plan shall continue at the same number of hours or more hours until redetermination, including:

(1) when the other parent moves in and is employed or has an education plan under section 142E.12, subdivision 3, or has an MFIP employment plan; or

(2) when the participant's work hours are reduced or a participant temporarily stops working or attending an approved education program. Temporary changes include, but are not limited to, a medical leave, seasonal employment fluctuations, or a school break between semesters.

(b) The county may increase the amount of child care authorized at any time if the participant verifies the need for increased hours for authorized activities.

(c) The county may reduce the amount of child care authorized if a parent requests a reduction or because of a change in:

- (1) the child's school schedule;
- (2) the custody schedule; or
- (3) the provider's availability.

(d) The amount of child care authorized for a family subject to subdivision 1, paragraph (b), must change when the participant's activity schedule changes. Paragraph (a) does not apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2, 2026.

(e) When a child reaches 13 years of age or a child with a disability reaches 15 years of age, the amount of child care authorized shall continue at the same number of hours or more hours until redetermination.

Sec. 9. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three months of extended eligibility and redetermination is not due, to continue receiving child care assistance the participant must be employed or have an education plan that meets the requirements of section 142E.12, subdivision 3, or have an MFIP

employment plan. Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the amount of child care authorized shall continue at the same number or more hours until redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies. ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.~~

(b) If the family's redetermination occurs before the end of the three-month extended eligibility period to continue receiving child care assistance, the participant must verify that the participant meets eligibility and activity requirements for child care assistance under this chapter. If child care assistance continues, the amount of child care authorized is based on section 142E.12. ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.~~

**EFFECTIVE DATE.** This section is effective May 25, 2026.

Sec. 10. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the first Monday of the service period following the effective date of the change.

PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in subdivision 2:

Income Range (as a percent of the state median income, except at the start of the first tier)	Co-payment (as a percentage of adjusted gross income)
<del>0-74.99%</del> <u>0-99.99% of federal poverty guidelines</u>	\$0/biweekly
<del>75.00-99.99% of federal poverty guidelines</del>	<del>\$2/biweekly</del>
<del>100.00% of federal poverty guidelines- 27.72%</del>	<del>2.61%</del> <u>2.6%</u>
<del>27.99%</del>	<del>2.61%</del>
<del>27.73-29.04%</del>	<del>2.61%</del>
<del>29.05-30.36%</del>	<del>2.61%</del>
<del>30.37-31.68%</del>	<del>2.61%</del>
<del>31.69-33.00%</del>	<del>2.91%</del>
<del>33.01-34.32%</del>	<del>2.91%</del>
<del>34.33-35.65%</del>	<del>2.91%</del>
<del>35.66-36.96%</del>	<del>2.91%</del>
<del>36.97-38.29%</del>	<del>3.21%</del>
<del>38.30-39.61%</del>	<del>3.21%</del>
<del>39.62-40.93%</del>	<del>3.21%</del>
<del>40.94-42.25%</del>	<del>3.84%</del>
<del>42.26-43.57%</del>	<del>3.84%</del>
<del>43.58-44.89%</del>	<del>4.46%</del>
<del>44.90-46.21%</del>	<del>4.76%</del>
<del>46.22-47.53%</del>	<del>5.05%</del>
<del>47.54-48.85%</del>	<del>5.65%</del>
<del>48.86-50.17%</del>	<del>5.95%</del>
<del>50.18-51.49%</del>	<del>6.24%</del>
<del>51.50-52.81%</del>	<del>6.84%</del>
<del>52.82-54.13%</del>	<del>7.58%</del>
<del>54.14-55.45%</del>	<del>8.33%</del>
<del>55.46-56.77%</del>	<del>9.20%</del>
<del>56.78-58.09%</del>	<del>10.07%</del>
<del>58.10-59.41%</del>	<del>10.94%</del>
<del>59.42-60.73%</del>	<del>11.55%</del>

<del>60.74-62.06%</del>	<del>12.16%</del>
<del>62.07-63.38%</del>	<del>12.77%</del>
<del>63.39-64.70%</del>	<del>13.38%</del>
<del>64.71-67.00%</del>	<del>14.00%</del>
<u>28.00-30.99%</u>	<u>2.6%</u>
<u>31.00-33.99%</u>	<u>2.6%</u>
<u>34.00-36.99%</u>	<u>2.9%</u>
<u>37.00-39.99%</u>	<u>3.2%</u>
<u>40.00-42.99%</u>	<u>3.8%</u>
<u>43.00-45.99%</u>	<u>4.4%</u>
<u>46.00-48.99%</u>	<u>5.0%</u>
<u>49.00-51.99%</u>	<u>5.6%</u>
<u>52.00-54.99%</u>	<u>6.2%</u>
<u>55.00-57.99%</u>	<u>6.8%</u>
<u>58.00-60.99%</u>	<u>6.9%</u>
<u>61.00-63.99%</u>	<u>6.9%</u>
<u>64.00-67.00%</u>	<u>6.9%</u>
Greater than 67.00%	ineligible

A family's biweekly co-payment fee is the fixed percentage established for the income range multiplied by the ~~highest~~ lowest possible income within that income range.

**EFFECTIVE DATE.** This section is effective October 13, 2025.

Sec. 11. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:

Subd. 3. **Training required.** (a) Prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the commissioner. The training documentation must have valid effective dates as of the date the registration request is submitted to the commissioner. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.

(b) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.

(c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to the child they care for must complete two hours of training in caring for children approved by the commissioner.

~~(e)~~ (d) This subdivision only applies to legal nonlicensed family child care providers.

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

Sec. 12. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

Subd. 7. **Record-keeping requirement.** (a) As a condition of payment, all providers receiving child care assistance payments must:

(1) keep accurate and legible daily attendance records at the site where services are delivered for children receiving child care assistance; ~~and~~

(2) make those records available immediately to the county or the commissioner upon request. Any records not provided to a county or the commissioner at the date and time of the request are deemed inadmissible if offered as evidence by the provider in any proceeding to contest an overpayment or disqualification of the provider- ; and

(3) submit data on child enrollment and attendance in the form and manner specified by the commissioner.

(b) As a condition of payment, attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times that the child was dropped off to and picked up from the child care provider must be entered by the person dropping off or picking up the child. The daily attendance records must be retained at the site where services are delivered for six years after the date of service.

(c) When the county or the commissioner knows or has reason to believe that a current or former provider has not complied with the record-keeping requirement in this subdivision:

(1) the commissioner may:

(i) deny or revoke a provider's authorization to receive child care assistance payments under section 142E.17, subdivision 9, paragraph (d);

(ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and 256.98; or

(iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section 142E.51; or

(2) a county or the commissioner may establish an attendance record overpayment under paragraph (d).

(d) To calculate an attendance record overpayment under this subdivision, the commissioner or county agency shall subtract the maximum daily rate from the total amount paid to a provider for each day that a child's attendance record is missing, unavailable, incomplete, inaccurate, or otherwise inadequate.

(e) The commissioner shall develop criteria for a county to determine an attendance record overpayment under this subdivision.

**EFFECTIVE DATE.** This section is effective June 22, 2026.

Sec. 13. Minnesota Statutes 2024, section 142E.17, subdivision 9, is amended to read:

Subd. 9. **Provider payments.** (a) A provider shall bill only for services documented according to section 142E.16, subdivision 7. The provider shall bill for services provided within ten days of the end of the service period. A provider must sign each bill and declare, under penalty of perjury as provided in section 609.48, that the information in the bill is true and correct. Payments under the child care fund shall be made within 21 days of receiving a complete bill from the provider. Counties or the state may establish policies that make payments on a more frequent basis.

(b) If a provider has received an authorization of care and been issued a billing form for an eligible family, the bill must be submitted within 60 days of the last date of service on the bill. A bill submitted more than 60 days after the last date of service must be paid if the county determines that the provider has shown good cause why the bill was not submitted within 60 days. Good cause must be defined in the county's child care fund plan under section 142E.09, subdivision 3, and the definition of good cause must include county error. Any bill submitted more than a year after the last date of service on the bill must not be paid.

(c) If a provider provided care for a time period without receiving an authorization of care and a billing form for an eligible family, payment of child care assistance may only be made retroactively for a maximum of three months from the date the provider is issued an authorization of care and a billing form. For a family at application, if a provider provided child care during a time period without receiving an authorization of care and a billing form, a county may only make child care assistance payments to the provider retroactively from the date that child care began, or from the date that the family's eligibility began under section 142E.10, subdivision 7, or from the date that the family meets authorization requirements, not to exceed six months from the date that the provider is issued an authorization of care and a billing form, whichever is later.

(d) The commissioner may refuse to issue a child care authorization to a certified, licensed, or legal nonlicensed provider; revoke an existing child care authorization to a certified, licensed, or legal nonlicensed provider; stop payment issued to a certified, licensed, or legal nonlicensed provider; or refuse to pay a bill submitted by a certified, licensed, or legal nonlicensed provider if:

(1) the provider admits to intentionally giving the county materially false information on the provider's billing forms;

(2) the commissioner finds by a preponderance of the evidence that the provider intentionally gave the county materially false information on the provider's billing forms, or provided false attendance records to a county or the commissioner;

(3) the provider is in violation of child care assistance program rules, until the agency determines those violations have been corrected;

(4) the provider is operating after:

(i) an order of suspension of the provider's license issued by the commissioner;

(ii) an order of revocation of the provider's license issued by the commissioner; or

(iii) an order of decertification issued to the provider;

(5) the provider submits false attendance reports or refuses to provide documentation of the child's attendance upon request;

(6) the provider gives false child care price information; or

(7) the provider fails to report decreases in a child's attendance as required under section 142E.16, subdivision 9.

(e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), the commissioner may withhold the provider's authorization or payment for a period of time not to exceed three months beyond the time the condition has been corrected.

(f) A county's payment policies must be included in the county's child care plan under section 142E.09, subdivision 3. If payments are made by the state, in addition to being in compliance with this subdivision, the payments must be made in compliance with section 16A.124.

(g) If the commissioner suspends or refuses payment to a provider under paragraph (d), clause (1) or (2), or sections 142E.50 to 142E.58 and the provider has:

(1) a disqualification for wrongfully obtaining assistance under section 256.98, subdivision 8, paragraph (c);

- (2) an administrative disqualification under section 142E.51, subdivision 5; or
- (3) a termination under section 142E.51, subdivision 4, paragraph (c), clause (4), or 142E.55;

then the provider forfeits the payment to the commissioner or the responsible county agency, regardless of the amount assessed in an overpayment, charged in a criminal complaint, or ordered as criminal restitution.

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

Sec. 14. Minnesota Statutes 2024, section 245.0962, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of ~~human services~~ children, youth, and families must establish a quality parenting initiative grant program to implement quality parenting initiative principles and practices to support children and families experiencing foster care placements.

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

Sec. 15. **ELIMINATING SCHEDULE REPORTER DESIGNATION.**

Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the commissioner of children, youth, and families must allocate additional basic sliding fee child care money for calendar years 2026 and 2027 to counties and Tribes to account for eliminating the schedule reporter designation in the child care assistance program. In allocating the additional money, the commissioner shall consider:

- (1) the number of children who are in schedule reporter families; and
- (2) the average basic sliding fee cost of care in the county or Tribe.

Sec. 16. **CHILDREN AND FAMILIES INFORMATION TECHNOLOGY SYSTEMS MODERNIZATION.**

Subdivision 1. **Direction to commissioner.** To the extent there is funding available for these purposes in the state systems account established under Minnesota Statutes, section 142A.04, subdivision 2, the commissioner of children, youth, and families must establish and implement the information technology systems described under this section.

Subd. 2. **Family common application tool.** (a) The commissioner must establish and implement an application tool that allows families to apply for available early care and education support programs. The application tool must:

- (1) provide integrated support in multiple languages, including real-time translation capabilities;
- (2) include an eligibility screener;
- (3) include capability for automatic pre-population of known family information and use open authorization to validate identity;
- (4) enable application completion and submission across multiple programs and services;
- (5) integrate selection tool for early care and education programs;

(6) reach families through various ways, including employers, employee organizations, and medical assistance managed care organizations; and

(7) operate using the software as a service model that ensures frequent maintenance and user experience updates.

(b) Funding under this section for the application tool may only be used for early care and education support programs.

Subd. 3. **Payments system.** The commissioner must establish and implement a centralized, integrated payment system for early care and education funding streams that:

(1) integrates seamlessly with the existing provider licensing and reporting hub;

(2) implements real-time payment processing and cash management capabilities, including instant fund transfers and automated reconciliation;

(3) incorporates robust security measures, including fraud detection and prevention;

(4) enables automated compliance with state and federal reporting requirements;

(5) provides a user-friendly interface with mobile accessibility for child care providers to manage invoices and payments;

(6) ensures interoperability with other relevant state systems and databases; and

(7) implements data quality monitoring and reporting tools to support decision making.

Subd. 4. **Reporting requirements.** The commissioner must provide quarterly implementation updates to the chairs and minority leads of the committees with jurisdiction over programs for children and families. The quarterly updates must describe the department's progress toward establishing and implementing the information technology systems under this section. The quarterly updates must continue until either the systems are fully implemented or the department no longer has sufficient funding for the purposes identified in this section.

Sec. 17. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 245.0962, as Minnesota Statutes, section 142A.47. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

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

Sec. 18. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 142D.12, subdivision 3, as Minnesota Statutes, section 120B.121. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

ARTICLE 6  
DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES  
LICENSING AND CERTIFICATION POLICY

Section 1. Minnesota Statutes 2024, section 142B.10, subdivision 14, is amended to read:

Subd. 14. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 142B.11. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the observation required by subdivision 11, paragraph (a), clause (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter or chapter 245A within the past two years;

(3) had a license issued under this chapter or chapter 245A revoked within the past five years; or

(4) failed to submit the information required of an applicant under subdivision 1, paragraph (f), (g), or (h), after being requested by the commissioner.

When a license issued under this chapter or chapter 245A is revoked, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 142B for five years following the revocation, and other licenses held by the applicant or license holder or licenses affiliated with each controlling individual shall also be revoked.



(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 142B.18, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(l) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must ~~apply for and be granted~~ comply with the requirements in section 142B.12 and be reissued a new license to operate the program or the program must not be operated after the expiration date. Child foster care license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(m) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

(n) The commissioner of children, youth, and families shall coordinate and share data with the commissioner of human services to enforce this section.

Sec. 2. Minnesota Statutes 2024, section 142B.10, subdivision 16, is amended to read:

Subd. 16. **Variances.** (a) The commissioner may grant variances to rules that do not affect the health or safety of persons in a licensed program if the following conditions are met:

(1) the variance must be requested by an applicant or license holder on a form and in a manner prescribed by the commissioner;

(2) the request for a variance must include the reasons that the applicant or license holder cannot comply with a requirement as stated in the rule and the alternative equivalent measures that the applicant or license holder will follow to comply with the intent of the rule; and

(3) the request must state the period of time for which the variance is requested.

The commissioner may grant a permanent variance when conditions under which the variance is requested do not affect the health or safety of persons being served by the licensed program, nor compromise the qualifications of staff to provide services. The permanent variance shall expire as soon as the conditions that warranted the variance are modified in any way. Any applicant or license holder must inform the commissioner of any changes or modifications that have occurred in the conditions that warranted the permanent variance. Failure to advise the commissioner shall result in revocation of the permanent variance and may be cause for other sanctions under sections 142B.17 and 142B.18.

The commissioner's decision to grant or deny a variance request is final and not subject to appeal under the provisions of chapter 14.

(b) The commissioner shall consider variances for child care center staff qualification requirements under Minnesota Rules, parts 9503.0032 and 9503.0033, that do not affect the health and safety of children served by the center. A variance request must be submitted to the commissioner in accordance with paragraph (a) and must include a plan for the staff person to gain additional experience, education, or training, as requested by the commissioner. When reviewing a variance request under this section, the commissioner shall consider the staff person's level of professional development, including but not limited to steps completed on the Minnesota career lattice.

(c) The commissioner must grant a variance for a child care program's licensed capacity limit if:

(1) the program's indoor space is within 100 square feet of what would be required for maximum enrollment in the program based on the program's number and qualifications of staff;

(2) the fire marshal approves the variance; and

(3) the applicant or license holder submits the variance request to the commissioner in accordance with paragraph (a).

For purposes of this paragraph, a "child care program" means a child care center or family or group family child care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503.

~~(e)~~ (d) Counties shall use a uniform application form developed by the commissioner for variance requests by family child care license holders.

Sec. 3. Minnesota Statutes 2024, section 142B.16, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Children, Youth, and Families to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order under this paragraph, or receipt of the interpretive guidance under paragraph (d), by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order under this paragraph, or provided the interpretive guidance under paragraph (d), through the hub, and:

- (1) specify the parts of the correction order that are alleged to be in error;
- (2) explain why they are in error; and
- (3) include documentation to support the allegation of error.

(b) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration under this paragraph, or to request interpretive guidance under paragraph (d) . A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

~~(b)~~ (c) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

- (1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and
- (2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

(d) Prior to a request for reconsideration under paragraph (a), if the applicant or license holder believes that the applicable rule or statute is ambiguous or the commissioner's interpretation of the applicable rule or statute is in error, the applicant or license holder may ask the Department of Children, Youth, and Families to provide interpretive guidance on the applicable rule or statute underlying the correction order.

(e) The commissioner must not publicly post the correction order for licensed child care centers or licensed family child care providers on the department's website until:

- (1) after the 20-calendar-day period for requesting reconsideration; or
- (2) if the applicant or license holder requested reconsideration, after the commissioner's disposition of a request for reconsideration is provided to the applicant or license holder.

**EFFECTIVE DATE.** This section is effective July 1, 2025, except that paragraph (e) is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2024, section 142B.16, subdivision 5, is amended to read:

Subd. 5. **Requirement to post conditional license.** For licensed family child care providers and child care centers, upon receipt of any order of conditional license issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the order of conditional license by the license holder, the license holder shall post the order of conditional license in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the order of conditional license is accompanied by a maltreatment investigation memorandum prepared under section 626.557 or chapter 260E, the investigation memoranda must be posted with the order of conditional license, and the license holder must post both in a place that is conspicuous to the people receiving services and all visitors to the facility for ten years.

Sec. 5. Minnesota Statutes 2024, section 142B.171, subdivision 2, is amended to read:

Subd. 2. **Documented technical assistance.** (a) In lieu of a correction order under section 142B.16, the commissioner shall provide documented technical assistance to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be low risk as determined by the child care weighted risk system;

(2) the noncompliance does not imminently endanger the health, safety, or rights of the persons served by the program; and

(3) the license holder did not receive documented technical assistance or a correction order for the same violation at the license holder's most recent annual licensing inspection.

(b) Documented technical assistance must include communication from the commissioner to the license holder that:

(1) states the conditions that constitute a violation of a law or rule;

(2) references the specific law or rule violated; and

(3) explains remedies for correcting the violation.

~~(c) The commissioner shall not publicly publish documented technical assistance on the department's website.~~

Sec. 6. Minnesota Statutes 2024, section 142B.18, subdivision 6, is amended to read:

Subd. 6. **Requirement to post licensing order or fine.** For licensed family child care providers and child care centers, upon receipt of any order of license suspension, temporary immediate suspension, fine, or revocation issued by the commissioner under this section, and notwithstanding a pending appeal of the order of license suspension, temporary immediate suspension, fine, or revocation by the license holder, the license holder shall post the order of license suspension, temporary immediate suspension, fine, or revocation in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the order of license suspension, temporary immediate suspension, fine, or revocation is accompanied by a maltreatment investigation memorandum prepared under section 626.557 or chapter 260E, the investigation memoranda must be posted with the order of license suspension, temporary immediate suspension, fine, or revocation, and the license holder must post both in a place that is conspicuous to the people receiving services and all visitors to the facility for ten years.

Sec. 7. **[142B.181] POSTING LICENSING ACTIONS ON DEPARTMENT WEBSITE.**

(a) The commissioner must post a summary document for each licensing action issued to a licensed child care center and family child care provider on the Licensing Information Lookup public website maintained by the Department of Children, Youth, and Families. The commissioner must not post any communication, including letters, from the commissioner to the center or provider.

(b) The commissioner must remove a summary document from the Licensing Information Lookup public website within ten days of the length of time that the document is required to be posted under Code of Federal Regulations, title 45, section 98.33.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2024, section 142B.30, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 142B.10; to recommend denial of applicants under section 142B.15; to issue correction orders, to issue variances, and to recommend a conditional license under section 142B.16; or to recommend suspending or revoking a license or issuing a fine under section 142B.18, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and family child foster care;

(2) child foster care maximum age requirement;

(3) variances regarding disqualified individuals;

(4) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(5) variances to section 142B.74 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

(b) The commissioners of human services and children, youth, and families must both approve a variance for dual licensure of family child foster care and family adult foster care or family adult foster care and family child care. Variances under this paragraph are excluded from the delegation of variance authority and may be issued only by both commissioners.

(c) Except as provided in section 142B.41, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(d) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(e) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(f) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(g) A child foster care license issued under this section may be issued for up to two years until implementation of the provider licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

Sec. 9. Minnesota Statutes 2024, section 142B.41, is amended by adding a subdivision to read:

Subd. 7a. **Staff distribution.** Notwithstanding Minnesota Rules, part 9503.0040, subpart 2, item B, an aide may substitute for a teacher during morning arrival and afternoon departure times in a licensed child care center if the total arrival and departure time does not exceed 25 percent of the center's daily hours of operation. In order for an aide to be used in this capacity, an aide must:

(1) be at least 18 years of age;

(2) have worked in the licensed child care center for a minimum of 30 days; and

(3) have completed all preservice and first-90-days training required for licensing.

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

Sec. 10. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age ~~eight~~ nine in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

~~(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one on one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.~~

**EFFECTIVE DATE.** This section is effective January 1, 2026, except paragraph (e), which is effective July 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 142B.65, subdivision 8, is amended to read:

**Subd. 8. Child passenger restraint systems; training requirement.** (a) Before a license holder transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(c) Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(d) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 25, in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

(e) Training completed under this subdivision may be used to meet in-service training requirements under subdivision 9. Training completed within the previous five years is transferable upon a staff person's change in employment to another child care center.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 142B.65, subdivision 9, is amended to read:

Subd. 9. **In-service training.** (a) A license holder must ensure that the center director, staff persons, substitutes, and unsupervised volunteers complete in-service training each calendar year.

(b) The center director and staff persons who work more than 20 hours per week must complete 24 hours of in-service training each calendar year. Staff persons who work 20 hours or less per week must complete 12 hours of in-service training each calendar year. Substitutes and unsupervised volunteers must complete at least two hours of training each year, and the training must include the requirements of paragraphs (d) to (g) ~~and do not otherwise have a minimum number of hours of training to complete.~~

(c) The number of in-service training hours may be prorated for ~~individuals~~ center directors and staff persons not employed for an entire year.

(d) Each year, in-service training must include:

(1) the center's procedures for maintaining health and safety according to section 142B.66 and Minnesota Rules, part 9503.0140, and handling emergencies and accidents according to Minnesota Rules, part 9503.0110;

(2) the reporting responsibilities under chapter 260E and Minnesota Rules, part 9503.0130;

(3) at least one-half hour of training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death as required under subdivision 6, if applicable; and

(4) at least one-half hour of training on the risk of abusive head trauma from shaking infants and young children as required under subdivision 7, if applicable.

(e) Each year, or when a change is made, whichever is more frequent, in-service training must be provided on: (1) the center's risk reduction plan under section 142B.54, subdivision 2; and (2) a child's individual child care program plan as required under Minnesota Rules, part 9503.0065, subpart 3.

(f) At least once every two calendar years, the in-service training must include:

(1) child development and learning training under subdivision 3;

(2) pediatric first aid that meets the requirements of subdivision 4;

(3) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 5;

(4) cultural dynamics training to increase awareness of cultural differences; and

(5) disabilities training to increase awareness of differing abilities of children.

(g) At least once every five years, in-service training must include child passenger restraint training that meets the requirements of subdivision 8, if applicable.

(h) The remaining hours of the in-service training requirement must be met by completing training in the following content areas of the Minnesota Knowledge and Competency Framework:

(1) Content area I: child development and learning;



- (2) Content area II: developmentally appropriate learning experiences;
- (3) Content area III: relationships with families;
- (4) Content area IV: assessment, evaluation, and individualization;
- (5) Content area V: historical and contemporary development of early childhood education;
- (6) Content area VI: professionalism;
- (7) Content area VII: health, safety, and nutrition; and
- (8) Content area VIII: application through clinical experiences.

(i) For purposes of this subdivision, the following terms have the meanings given them.

(1) "Child development and learning training" means training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(2) "Developmentally appropriate learning experiences" means creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, and promoting creative development.

(3) "Relationships with families" means training on building a positive, respectful relationship with the child's family.

(4) "Assessment, evaluation, and individualization" means training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality.

(5) "Historical and contemporary development of early childhood education" means training in past and current practices in early childhood education and how current events and issues affect children, families, and programs.

(6) "Professionalism" means training in knowledge, skills, and abilities that promote ongoing professional development.

(7) "Health, safety, and nutrition" means training in establishing health practices, ensuring safety, and providing healthy nutrition.

(8) "Application through clinical experiences" means clinical experiences in which a person applies effective teaching practices using a range of educational programming models.

(j) The license holder must ensure that documentation, as required in subdivision 10, includes the number of total training hours required to be completed, name of the training, the Minnesota Knowledge and Competency Framework content area, number of hours completed, and the director's approval of the training.

(k) In-service training completed by a staff person that is not specific to that child care center is transferable upon a staff person's change in employment to another child care program.

Sec. 13. Minnesota Statutes 2024, section 142B.66, subdivision 3, is amended to read:

Subd. 3. **Emergency preparedness.** (a) A licensed child care center must have a written emergency plan for emergencies that require evacuation, sheltering, or other protection of a child, such as fire, natural disaster, intruder, or other threatening situation that may pose a health or safety hazard to a child. The plan must be written on a form developed by the commissioner and must include:

- (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;
  - (2) a designated relocation site and evacuation route;
  - (3) procedures for notifying a child's parent or legal guardian of the evacuation, relocation, shelter-in-place, or lockdown, including procedures for reunification with families;
  - (4) accommodations for a child with a disability or a chronic medical condition;
  - (5) procedures for storing a child's medically necessary medicine that facilitates easy removal during an evacuation or relocation;
  - (6) procedures for continuing operations in the period during and after a crisis;
  - (7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and
  - (8) accommodations for infants and toddlers.
- (b) The license holder must train staff persons on the emergency plan at orientation, when changes are made to the plan, and at least once each calendar year. Training must be documented in each staff person's personnel file.
- (c) The license holder must conduct drills according to the requirements in Minnesota Rules, part 9503.0110, subpart 3. The date and time of the drills must be documented.
- (d) The license holder must review and update the emergency plan ~~annually~~ each calendar year. Documentation of the ~~annual~~ yearly emergency plan review shall be maintained in the program's administrative records.
- (e) The license holder must include the emergency plan in the program's policies and procedures as specified under section 142B.10, subdivision 21. The license holder must provide a physical or electronic copy of the emergency plan to the child's parent or legal guardian upon enrollment.
- (f) The relocation site and evacuation route must be posted in a visible place as part of the written procedures for emergencies and accidents in Minnesota Rules, part 9503.0140, subpart 21.

Sec. 14. Minnesota Statutes 2024, section 142B.70, subdivision 7, is amended to read:

Subd. 7. **Child passenger restraint systems; training requirement.** (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Children, Youth, and Families that serve a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 8.

(2) Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 13, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 15. Minnesota Statutes 2024, section 142B.70, subdivision 8, is amended to read:

Subd. 8. **Training requirements for family and group family child care.** (a) For purposes of family and group family child care, the license holder and each second adult caregiver must complete 16 hours of ongoing training each year. Repeat of topical training requirements in subdivisions 3 to 9 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

(1) child development and learning training in understanding how a child develops physically, cognitively, emotionally, and socially, and how a child learns as part of the child's family, culture, and community;

(2) developmentally appropriate learning experiences, including training in creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, promoting creative development; and behavior guidance;

(3) relationships with families, including training in building a positive, respectful relationship with the child's family;

(4) assessment, evaluation, and individualization, including training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality;

(5) historical and contemporary development of early childhood education, including training in past and current practices in early childhood education and how current events and issues affect children, families, and programs;

(6) professionalism, including training in knowledge, skills, and abilities that promote ongoing professional development; and

(7) health, safety, and nutrition, including training in establishing healthy practices; ensuring safety; and providing healthy nutrition.

(b) A provider who is approved as a trainer through the Develop data system may count up to two hours of training instruction toward the annual 16-hour training requirement in paragraph (a). The provider may only count training instruction hours for the first instance in which they deliver a particular content-specific training during each licensing year. Hours counted as training instruction must be approved through the Develop data system with attendance verified on the trainer's individual learning record and must be in Knowledge and Competency Framework content area VII A (Establishing Healthy Practices) or B (Ensuring Safety).

(c) Substitutes and adult caregivers who provide care for 500 or fewer hours per year must complete a minimum of one hour of training each calendar year, and the training must include the requirements in subdivisions 3, 4, 5, 6, and 9.

Sec. 16. Minnesota Statutes 2024, section 142C.06, is amended by adding a subdivision to read:

Subd. 4. **Requirement to post conditional certification.** Upon receipt of any order of conditional certification issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the order of conditional certification by the certification holder, the certification holder shall post the order of conditional certification in a place that is conspicuous to the people receiving services and all visitors to the facility for the duration of the conditional certification. When the order of conditional certification is accompanied by a maltreatment investigation memorandum prepared under chapter 260E, the investigation memoranda must be posted with the order of conditional certification.

Sec. 17. Minnesota Statutes 2024, section 142C.11, subdivision 8, is amended to read:

Subd. 8. **Required policies.** A certified center must have written policies for health and safety items in subdivisions 1 to 6, 9, and 10.

Sec. 18. Minnesota Statutes 2024, section 142C.12, subdivision 1, is amended to read:

Subdivision 1. **First aid and cardiopulmonary resuscitation.** (a) Before having unsupervised direct contact with a child, but within 90 days after the first date of direct contact with a child, the director, all staff persons, substitutes, and unsupervised volunteers must successfully complete pediatric first aid and pediatric cardiopulmonary resuscitation (CPR) training, unless the training has been completed within the previous two calendar years. Staff must complete the pediatric first aid and pediatric CPR training at least every other calendar year and the center must document the training in the staff person's personnel record.

(b) Training completed under this subdivision may be used to meet the in-service training requirements under subdivision 6.

(c) Training must include CPR and techniques for providing immediate care to people experiencing life-threatening cardiac emergencies, choking, bleeding, fractures and sprains, head injuries, poisoning, and burns. Training developed by the American Heart Association, the American Red Cross, or another organization that uses nationally recognized, evidence-based guidelines meets these requirements.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 19. Minnesota Statutes 2024, section 142C.12, subdivision 6, is amended to read:

Subd. 6. **In-service training.** (a) The certified center must ensure that the director and all staff persons, including substitutes and unsupervised volunteers, are trained at least once each calendar year on health and safety requirements in this section and sections 142C.10, 142C.11, and 142C.13.

(b) The director and each staff person, not including substitutes, must complete at least six hours of training each calendar year. Substitutes must complete at least two hours of training each calendar year. Training required under paragraph (a) may be used toward the hourly training requirements of this subdivision.

Sec. 20. Minnesota Statutes 2024, section 245A.18, subdivision 1, is amended to read:

Subdivision 1. **Seat belt and child passenger restraint system use.** All license holders that transport children must comply with the requirements of section 142B.51, subdivision 1, and license holders that transport a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in section 142B.51, subdivision 2.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 21. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; AMENDING THE DEFINITION OF EDUCATION.**

The commissioner of children, youth, and families must amend Minnesota Rules, part 9503.0030, subpart 1, item B, to include any accredited coursework from an accredited postsecondary institution that can reasonably be shown to be relevant to any skill necessary to meet the qualifications of a teacher.

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

Sec. 22. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; STANDARDIZED LICENSING VISIT TIMELINE AND REQUIREMENTS.**

(a) The commissioner of children, youth, and families must, in consultation with stakeholders, develop and implement a standardized timeline and standards for the conduct of licensors when conducting inspections of licensed child care centers. The timeline and standards developed by the commissioner must clearly identify:

(1) the steps of a licensing visit;

(2) the expectations for licensors and license holders before, during, and after the licensing visit;

(3) the standards of conduct that licensors must follow during a visit;

(4) the rights of license holders;

(5) when and how license holders can request technical assistance; and

(6) a process for license holders to request additional review of an issue related to the licensing visit from someone other than the assigned licensor.

(b) The timeline and standards must be implemented by January 1, 2026.

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

Sec. 23. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; STANDARDIZED COUNTY-DELEGATED LICENSING.**

By January 1, 2026, the commissioner of children, youth, and families must:

(1) establish time frames for county licensors to respond to time-sensitive or urgent requests and implement a system to track response times to the requests; and

(2) require county licensors to use the electronic licensing inspection tool during an inspection of a family child care provider and to complete the inspection report on site with the license holder, including direct communication related to any correction orders issued.

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

**Sec. 24. DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; AMENDING CAPACITY LIMITS.**

(a) The commissioner of children, youth, and families must amend Minnesota Rules, part 9502.0365, subpart 1, item A, to exclude one of the caregiver's own children for the purposes of the licensed capacity, provided the excluded child is at least eight years old and the caregiver has never been determined to have maltreated a child or vulnerable adult under Minnesota Statutes, section 626.557 or chapter 260E.

(b) For purposes of this section and notwithstanding any other requirements for good cause exempt rulemaking, the commissioner may use the process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

ARTICLE 7  
DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES  
APPROPRIATIONS

Section 1. **CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of children, youth, and families for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year 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.

		<b><u>APPROPRIATIONS</u></b>	
		<b><u>Available for the Year</u></b>	
		<b><u>Ending June 30</u></b>	
		<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>TOTAL APPROPRIATION</u></b>		<b><u>\$1,312,562,000</u></b>	<b><u>\$1,341,630,000</u></b>
<b><u>Appropriations by Fund</u></b>			
		<b><u>2026</u></b>	<b><u>2027</u></b>
<u>General</u>	<u>1,084,402,000</u>		<u>1,093,008,000</u>
<u>State Government</u>			
<u>Special Revenue</u>	<u>732,000</u>		<u>732,000</u>
<u>Federal TANF</u>	<u>227,428,000</u>		<u>247,890,000</u>

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

**Sec. 3. TANF MAINTENANCE OF EFFORT****Subdivision 1. Nonfederal Expenditures**

The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's maintenance of effort requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1. In order to meet these basic TANF maintenance of effort requirements, the commissioner may report as TANF maintenance of effort expenditures only nonfederal money expended for allowable activities listed in the following clauses:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 142G;

(2) the child care assistance programs under Minnesota Statutes, sections 142E.04 and 142E.08, and county child care administrative costs under Minnesota Statutes, section 142E.02, subdivision 9;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 142G and 256K;

(4) state, county, and Tribal MFIP employment services under Minnesota Statutes, chapters 142G and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671, and child tax credit expenditures under Minnesota Statutes, section 290.0661;

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674; and

(8) qualifying Head Start expenditures under Minnesota Statutes, section 142D.12.

**Subd. 2. Nonfederal Expenditures; Reporting**

For the activities listed in subdivision 1, clauses (2) to (8), the commissioner may report only expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

**Subd. 3. Supplemental Expenditures**

For the purposes of this section, the commissioner may supplement the maintenance of effort claim with working family credit expenditures or other qualified expenditures to the extent such expenditures are otherwise available after considering the expenditures allowed in this section.

**Subd. 4. Reduction of Appropriations; Exception**

The requirement in Minnesota Statutes, section 142A.06, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law does not apply if the grants or aids are federal TANF funds.

**Subd. 5. IT Appropriations Generally**

This appropriation includes funds for information technology projects, services, and support. Funding for information technology project costs must be incorporated into the service level agreement and paid to Minnesota IT Services by the Department of Children, Youth, and Families under the rates and mechanism specified in that agreement.

**Subd. 6. Receipts for Systems Project**

Appropriations and federal receipts for information technology systems projects for MAXIS, PRISM, MMIS, ISDS, METS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 142A.04. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of children, youth, and families considers necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

**Subd. 7. Federal SNAP Education and Training Grants**

Federal funds available during fiscal years 2026 and 2027 for Supplemental Nutrition Assistance Program Education and Training and SNAP Quality Control Performance Bonus grants are appropriated to the commissioner of human services for the purposes allowable under the terms of the federal award. This subdivision is effective the day following final enactment.



Sec. 4. **CENTRAL OFFICE; AGENCY SUPPORTS**Subdivision 1. **Total Appropriation****\$138,348,000****\$101,945,000**Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>137,516,000</u>	<u>101,113,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>732,000</u>	<u>732,000</u>
<u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>

Subd. 2. **Information Technology**

\$40,000,000 in fiscal year 2026 is for information technology improvements to SSIS. The appropriation must be used to develop and implement a modernization plan for SSIS that addresses priorities established through collaborative planning with counties and Tribal Nations that use SSIS. Priorities must take into consideration available funding and have a direct impact on child welfare casework. The appropriation must not be used for changes to SSIS that are not part of the child welfare modernization plan. This is a onetime appropriation.

Subd. 3. **Base Level Adjustment**

The general fund base is \$95,066,000 in fiscal year 2028 and \$95,066,000 in fiscal year 2029.

Sec. 5. **CENTRAL OFFICE; CHILD SAFETY AND PERMANENCY****\$17,232,000****\$16,945,000**Sec. 6. **CENTRAL OFFICE; EARLY CHILDHOOD****\$17,212,000****\$13,337,000**Subdivision 1. **Child Care Attendance and Record-Keeping System**

\$5,555,000 in fiscal year 2026 and \$1,639,000 in fiscal year 2027 are to develop a statewide electronic attendance and record-keeping system for the child care assistance program. The system must provide the commissioner, county agencies, and Tribal Nations that administer the program with real-time access to electronic attendance records to verify children's enrollment in the program. This is a onetime appropriation.

Subd. 2. **Base Level Adjustment**

The general fund base is \$11,698,000 in fiscal year 2028 and \$11,698,000 in fiscal year 2029.

Sec. 7. <u>CENTRAL OFFICE; ECONOMIC OPPORTUNITIES AND YOUTH SERVICES</u>	<u>\$3,852,000</u>	<u>\$3,562,000</u>
Sec. 8. <u>CENTRAL OFFICE; FAMILY WELL-BEING</u>	<u>\$14,147,000</u>	<u>\$14,147,000</u>
<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
General	<u>10,471,000</u>	<u>10,471,000</u>
Federal TANF	<u>3,676,000</u>	<u>3,676,000</u>
Sec. 9. <u>FORECASTED PROGRAMS; MFIP/DWP</u>	<u>\$230,473,000</u>	<u>\$268,167,000</u>
<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
General	<u>103,272,000</u>	<u>120,504,000</u>
Federal TANF	<u>127,201,000</u>	<u>147,663,000</u>
Sec. 10. <u>FORECASTED PROGRAMS; MFIP CHILD CARE ASSISTANCE</u>	<u>\$100,244,000</u>	<u>\$137,333,000</u>
Sec. 11. <u>FORECASTED PROGRAMS; NORTHSTAR CARE FOR CHILDREN</u>	<u>\$110,214,000</u>	<u>\$116,160,000</u>
Sec. 12. <u>GRANT PROGRAMS; SUPPORT SERVICES GRANTS</u>	<u>\$111,359,000</u>	<u>\$111,359,000</u>
<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
General	<u>14,908,000</u>	<u>14,908,000</u>
Federal TANF	<u>96,451,000</u>	<u>96,451,000</u>
Sec. 13. <u>GRANT PROGRAMS; BASIC SLIDING FEE CHILD ASSISTANCE CARE GRANTS</u>	<u>\$137,768,000</u>	<u>\$135,212,000</u>
Sec. 14. <u>GRANT PROGRAMS; CHILD CARE DEVELOPMENT GRANTS</u>	<u>\$139,319,000</u>	<u>\$138,819,000</u>
<u>\$500,000 in fiscal year 2026 is from the general fund for child care provider access to technology grants under Minnesota Statutes, section 142D.23, subdivision 3, clause (5). This appropriation is available until fiscal year 2029.</u>		
Sec. 15. <u>GRANT PROGRAMS; CHILD SUPPORT ENFORCEMENT GRANTS</u>	<u>\$50,000</u>	<u>\$50,000</u>

Sec. 16. **GRANT PROGRAMS; CHILDREN'S SERVICES GRANTS**

**\$43,204,000**

**\$43,205,000**

The commissioner shall allocate funds from the state's savings from the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance as required in Minnesota Statutes, section 142A.61, and as allowable under federal law. Additional savings to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance is for postadoption, foster care, adoption, and kinship services, including a parent-to-parent support network and as allowable under federal law.

Sec. 17. **GRANT PROGRAMS; CHILDREN AND COMMUNITY SERVICE GRANTS**

**\$87,984,000**

**\$87,984,000**

Sec. 18. **GRANT PROGRAMS; CHILDREN AND ECONOMIC SUPPORT GRANTS**

**\$14,327,000**

**\$12,426,000**

Subdivision 1. **FAIM**

\$209,000 in fiscal year 2026 and \$210,000 in fiscal year 2027 are from the general fund for the family assets for independence program. This is a onetime appropriation and is available until fiscal year 2029.

Subd. 2. **American Indian Food Sovereignty Funding Program**

\$500,000 in fiscal year 2026 is for the American Indian food sovereignty funding program under Minnesota Statutes, section 142F.15. This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. **Minnesota Food Shelf Program**

\$451,000 in fiscal year 2026 is for the Minnesota food shelf program under Minnesota Statutes, section 142F.14. This is a onetime appropriation.

Subd. 4. **Prepared Meals Food Relief**

\$451,000 in fiscal year 2026 is for prepared meals food relief grants under Laws 2023, chapter 70, article 12, section 33. This is a onetime appropriation.

Subd. 5. **Minnesota Food Bank Program**

\$500,000 in fiscal year 2026 is for Minnesota's regional food banks with an annual operating budget of less than \$100,000,000 that the commissioner contracts with for the purposes of the emergency

food assistance program (TEFAP). The commissioner shall distribute funding under this paragraph in accordance with the federal TEFAP formula and guidelines of the United States Department of Agriculture. Funding must be used to purchase food that will be distributed free of charge to TEFAP partner agencies. Funding must also cover the handling and delivery fees typically paid by food shelves to food banks to ensure that costs associated with funding under this paragraph are not incurred at the local level. This is a onetime appropriation.

**Subd. 6. Base Level Adjustment**

The general fund base is \$12,216,000 in fiscal year 2028 and \$12,216,000 in fiscal year 2029.

Sec. 19. <b><u>GRANT PROGRAMS; EARLY LEARNING GRANTS</u></b>	<b><u>\$138,688,000</u></b>	<b><u>\$132,838,000</u></b>
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Sec. 20. <b><u>GRANT PROGRAMS; YOUTH SERVICES GRANTS</u></b>	<b><u>\$8,141,000</u></b>	<b><u>\$8,141,000</u></b>
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**Subdivision 1. Restorative Practices Initiative Grant**

\$1,750,000 in fiscal year 2026 and \$1,750,000 in fiscal year 2027 are from the general fund for restorative practices initiative grants. The general fund base for this appropriation is \$2,500,000 in fiscal year 2028 and \$2,500,000 in fiscal year 2029.

**Subd. 2. Base Level Adjustment**

The general fund base is \$8,891,000 in fiscal year 2028 and \$8,891,000 in fiscal year 2029.

Sec. 21. <b><u>TECHNICAL ACTIVITIES</u></b>	<b><u>\$74,493,000</u></b>	<b><u>\$74,493,000</u></b>
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This appropriation is from the federal TANF fund.

Sec. 22. Laws 2023, chapter 70, article 20, section 8, is amended to read:

Sec. 8. <b><u>OFFICE OF THE FOSTER YOUTH OMBUDSPERSON</u></b>	<b><u>\$842,000</u></b>	<b><u>\$759,000</u></b>
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This appropriation is available until June 30, 2027.

**Sec. 23. CANCELLATIONS.**

Subdivision 1. Child welfare initiative grants. \$5,294,000 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 22, paragraph (b), is canceled to the general fund.

Subd. 2. **Establishing the Department of Children, Youth, and Families.** \$8,500,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 12, paragraph (b), is canceled to the general fund.

Subd. 3. **Social service information system technology improvements.** \$5,059,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 4, paragraph (g), is canceled to the general fund.

**EFFECTIVE DATE.** This section is effective the day following final enactment, or retroactively from June 30, 2025, whichever is earlier.

Sec. 24. **TRANSFERS.**

Subdivision 1. **Programs and grants.** The commissioner of children, youth, and families, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among MFIP; MFIP child care assistance under Minnesota Statutes, section 142E.08; the entitlement portion of Northstar Care for Children under Minnesota Statutes, sections 142A.60 to 142A.612; and early childhood family education under Minnesota Statutes, section 142D.11, between fiscal years of the biennium. The commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance and policy quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Children, Youth, and Families as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance quarterly about transfers made under this subdivision.

Subd. 3. **Interdepartmental transfers.** Administrative money may be transferred between the Department of Children, Youth, and Families and Department of Human Services or the Department of Education as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance and policy quarterly about transfers made under this subdivision.

Sec. 25. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncoded language contained in this article expires on June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

Sec. 26. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 regular session, the appropriation, transfer, or cancellation must be given effect once.

ARTICLE 8  
OTHER CHILDREN AND FAMILIES AGENCY APPROPRIATIONS

Section 1. **OTHER AGENCY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the

appropriations listed under them are available for the fiscal year 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.

	<b><u>APPROPRIATIONS</u></b> <b><u>Available for the Year</u></b> <b><u>Ending June 30</u></b>	
	<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>OMBUDSPERSON FOR FAMILIES</u></b>	<b><u>\$792,000</u></b>	<b><u>\$808,000</u></b>
Sec. 3. <b><u>OMBUDSPERSON FOR AMERICAN INDIAN FAMILIES</u></b>	<b><u>\$344,000</u></b>	<b><u>\$347,000</u></b>
Sec. 4. <b><u>OFFICE OF THE FOSTER YOUTH OMBUDSPERSON</u></b>	<b><u>\$772,000</u></b>	<b><u>\$785,000</u></b>
Sec. 5. <b><u>DEPARTMENT OF EDUCATION</u></b>	<b><u>\$7,950,000</u></b>	<b><u>\$7,950,000</u></b>
Sec. 6. <b><u>EXPIRATION OF UNCODIFIED LANGUAGE.</u></b>		

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

Sec. 7. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 regular session, the appropriation, transfer, or cancellation must be given effect once."

Delete the title and insert:

"A bill for an act relating to children; modifying provisions relating to economic assistance, child protection and welfare, early care and learning, and licensing and certification; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 142A.03, subdivision 2, by adding a subdivision; 142A.42; 142B.01, subdivision 15; 142B.05, subdivision 3; 142B.10, subdivisions 14, 16; 142B.16, subdivisions 2, 5; 142B.171, subdivision 2; 142B.18, subdivisions 4, 6; 142B.30, subdivision 1; 142B.41, by adding a subdivision; 142B.47; 142B.51, subdivision 2; 142B.65, subdivisions 8, 9; 142B.66, subdivision 3; 142B.70, subdivisions 7, 8; 142B.80; 142C.06, by adding a subdivision; 142C.11, subdivision 8; 142C.12, subdivisions 1, 6; 142D.21, subdivisions 6, 10, by adding a subdivision; 142D.23, subdivision 3; 142D.31, subdivision 2; 142E.03, subdivision 3; 142E.11, subdivisions 1, 2; 142E.13, subdivision 2; 142E.15, subdivision 1; 142E.16, subdivisions 3, 7; 142E.17, subdivision 9; 245.0962, subdivision 1; 245A.18, subdivision 1; 245C.02, by adding a subdivision; 260.65; 260.66, subdivision 1; 260.691, subdivision 1; 260.692; 260.810, subdivisions 1, 2; 260.821, subdivision 2; 260C.001, subdivision 2; 260C.007, subdivision 19; 260C.141, subdivision 1; 260C.150, subdivision 3; 260C.178, subdivisions 1, 7; 260C.201, subdivisions 1, 2; 260C.202, subdivision 2, by adding subdivisions; 260C.204; 260C.212, subdivisions 1, 1a; 260C.221, subdivision 2; 260C.223, subdivisions 1, 2; 260C.329, subdivisions 3, 8; 260C.451, subdivision 9; 260C.452, subdivision 4; 260E.03, subdivision 15; 260E.065; 260E.09; 260E.20, subdivisions 1, 3; 260E.24, subdivisions 1, 2; 518.68, subdivision 2; 518A.34; 518A.46, subdivision 7; 518A.75, subdivision 1; Laws 2023, chapter 70, article 20, section 8; proposing coding for new law in Minnesota Statutes, chapters 142B; 260E."

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 Koznick from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 2438, A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; amending Minnesota Statutes 2024, sections 168.27, subdivisions 8, 11, 16; 168.33, subdivision 7; 168A.10, by adding a subdivision; 169.14, subdivision 1a; 169.686, subdivision 1; 171.05, subdivision 1; 171.06, by adding a subdivision; 171.061, subdivision 4; 171.306, subdivision 8; 174.02, by adding a subdivision; 174.38, subdivision 4; 299A.01, by adding a subdivision; 360.511, by adding a subdivision; 360.531, subdivision 2; 360.55, subdivisions 4, 4a, 9, by adding subdivisions; 360.653; 473.408, by adding a subdivision; 473.4465, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special Session chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section 9; Laws 2023, chapter 68, article 1, section 2, subdivisions 2, 3; Laws 2024, chapter 127, article 1, section 2, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
APPROPRIATIONS

Section 1. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in fiscal year 2027 under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "Each year" is each of fiscal years 2026 and 2027. "The biennium" is fiscal years 2026 and 2027. "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street fund. "H.U.T.D." is the highway user tax distribution fund.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2026</u></b>	<b><u>2027</u></b>

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

<u>Subdivision 1. Total Appropriation</u>	<b><u>\$4,847,522,000</u></b>	<b><u>\$4,043,100,000</u></b>
<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>40,694,000</u>	<u>33,168,000</u>
<u>Airports</u>	<u>32,368,000</u>	<u>32,368,000</u>

<u>C.S.A.H.</u>	<u>1,110,374,000</u>	<u>1,143,461,000</u>
<u>M.S.A.S.</u>	<u>282,366,000</u>	<u>288,795,000</u>
<u>Trunk Highway</u>	<u>3,381,720,000</u>	<u>2,545,308,000</u>
<u>911 Fund</u>	<u>14,000,000</u>	<u>-0-</u>

The appropriations in this section are to the commissioner of transportation.

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

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

<u>(1) <b>Airport Development and Assistance</b></u>	<u>19,448,000</u>	<u>19,448,000</u>
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This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2028 and 2029.

The base is \$19,498,000 in each of fiscal years 2028 and 2029.

<u>(2) <b>Aviation Support Services</b></u>	<u>14,583,000</u>	<u>14,733,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>1,843,000</u>	<u>1,993,000</u>
<u>Airports</u>	<u>12,740,000</u>	<u>12,740,000</u>



\$5,000,000 in each year from the state airports fund is for a grant to the Duluth Airport Authority to design, construct, furnish, and equip a new air traffic control tower base building at the Duluth International Airport, including associated site preparation, building demolition, and utility and stormwater retention system improvements. This is a onetime appropriation and is available until June 30, 2028.

The base from the general fund is \$1,993,000 in each of fiscal years 2028 and 2029. The base from the state airports fund is \$7,790,000 in each of fiscal years 2028 and 2029.

<b><u>(3) Civil Air Patrol</u></b>	<u>180,000</u>	<u>180,000</u>
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This appropriation is from the state airports fund for the Civil Air Patrol.

<b><u>(b) Transit and Active Transportation</u></b>	<u>12,376,000</u>	<u>12,376,000</u>
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This appropriation is from the general fund.

<b><u>(c) Safe Routes to School</u></b>	<u>1,500,000</u>	<u>1,500,000</u>
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

<b><u>(d) Passenger Rail</u></b>	<u>5,743,000</u>	<u>5,743,000</u>
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This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

The base is \$1,273,000 in each of fiscal years 2028 and 2029.

<b><u>(e) Freight and Rail Safety</u></b>	<u>9,165,000</u>	<u>9,219,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
General	<u>2,353,000</u>	<u>2,353,000</u>
Trunk Highway	<u>6,812,000</u>	<u>6,866,000</u>

**Subd. 3. State Roads**

<b><u>(a) Operations and Maintenance</u></b>	<u>436,805,000</u>	<u>439,548,000</u>
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<b><u>(b) Program Planning and Delivery</u></b>		
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**(1) Planning and Research**37,002,00037,239,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$300,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

\$3,000,000 in each year is for statewide trunk highway corridor planning.

**(2) Program Delivery**289,845,000287,145,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>2,000,000</u>	<u>2,000,000</u>
<u>Trunk Highway</u>	<u>287,845,000</u>	<u>285,145,000</u>

This appropriation includes use of consultants to support development and management of projects.

\$7,700,000 in fiscal year 2026 and \$5,000,000 in fiscal year 2027 is from the trunk highway fund for the transportation project activity portal under Minnesota Statutes, section 174.034. This appropriation is available until June 30, 2028.

\$1,000,000 in each year is available from the trunk highway fund for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

**(c) State Road Construction**2,141,813,0001,281,813,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

\$650,000,000 in fiscal year 2026 is for the John A. Blatnik Bridge between Duluth, Minnesota, and Superior, Wisconsin. The commissioner may use up to 17 percent of the amount for program delivery. This is a onetime appropriation and is available until June 30, 2033.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base is \$1,331,813,000 in fiscal year 2028 and \$1,341,813,000 in fiscal year 2029.

**(d) Corridors of Commerce**40,000,00040,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

This amount includes funds available as a result of transportation efficiency savings under Minnesota Statutes, section 174.53.

The base is \$25,000,000 in each of fiscal years 2028 and 2029.

**(e) Transportation Economic Development**15,000,00015,000,000

This appropriation is for the transportation economic development program under Minnesota Statutes, section 174.12. This is a onetime appropriation.

**(f) Resilient Pavement**25,000,00025,000,000

This appropriation is for the resilient pavement program under Minnesota Statutes, section 174.205. This is a onetime appropriation.

**(g) Highway Debt Service**296,575,000319,675,000

\$293,575,000 in fiscal year 2026 and \$316,675,000 in fiscal year 2027 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

**(h) Statewide Radio Communications**21,052,0007,114,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>3,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>7,049,000</u>	<u>7,111,000</u>
<u>911 Fund</u>	<u>14,000,000</u>	<u>-0-</u>

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$14,000,000 in fiscal year 2026 is from the 911 Fund for capital improvements and operating expenses related to the statewide Allied Radio Matrix for Emergency Response (ARMER) public safety radio communication system.

**Subd. 4. Local Roads****(a) County State-Aid Highways**1,110,374,0001,143,461,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081, 174.49, and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2035.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

**(b) Municipal State-Aid Streets**

282,366,000

288,795,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2035.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

**(c) Other Local Roads**

**(1) Local Transportation Disaster Support**

1,000,000

1,000,000

This appropriation is from the general fund to provide a cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125.

**(2) Local Road Improvement**3,838,000-0-

This appropriation is from the general fund for construction and reconstruction of local roads under Minnesota Statutes, section 174.52.

**(2) Local Bridges**3,838,000-0-

This appropriation is from the general fund to replace or rehabilitate local deficient bridges under Minnesota Statutes, section 174.50.

**Subd. 5. Agency Management****(a) Agency Services**89,709,00089,709,000Appropriations by Fund20262027General6,200,0006,200,000Trunk Highway83,509,00083,509,000**(b) Buildings**43,710,00043,802,000

\$2,200,000 in each year is for maintenance, improvements, and modernization of Department of Transportation facilities, including truck stations and other buildings and excluding the central office building.

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before fiscal year 2026 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

**(c) Tort Claims**600,000600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

**Subd. 6. Transfers; General Authority**

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between

funds; (2) from the appropriations for state road construction or debt service; or (3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

**Subd. 7. Transfers; Flexible Highway Account**

The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) \$21,800,000 in fiscal year 2026 to the trunk highway fund;

(2) \$22,230,000 in fiscal year 2026 to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The money transferred under this subdivision is for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

**Subd. 8. Contingent Appropriations**

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. **METROPOLITAN COUNCIL****Subdivision 1. Total Appropriation****\$124,961,000****\$130,794,000**

The appropriations in this section are from the general fund to the Metropolitan Council.

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

**Subd. 2. Transit System Operations**12,454,00012,454,000

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

The base is \$0 in each of fiscal years 2028 and 2029.

**Subd. 3. Special Transportation Service**112,507,000118,340,000

This appropriation is for special transportation service under Minnesota Statutes, section 473.386, including Metro Mobility and Metro Move.

Notwithstanding Minnesota Statutes, section 473.386, subdivision 10, the base is \$118,000,000 in fiscal years 2028 and thereafter.

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY****Subdivision 1. Total Appropriation****\$297,071,000****\$308,374,000**Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>36,992,000</u>	<u>37,026,000</u>
<u>Special Revenue</u>	<u>81,067,000</u>	<u>81,050,000</u>
<u>H.U.T.D.</u>	<u>1,290,000</u>	<u>1,303,000</u>
<u>Trunk Highway</u>	<u>177,722,000</u>	<u>188,995,000</u>

The appropriations in this section are to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 only for State Patrol purposes.

**Subd. 2. Administration and Related Services****(a) Office of Communications**638,000672,000

This appropriation is from the general fund.



<b>(b) <u>Public Safety Support</u></b>	<u>11,926,000</u>	<u>11,926,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>6,561,000</u>	<u>6,561,000</u>
<u>Trunk Highway</u>	<u>5,365,000</u>	<u>5,365,000</u>

The base from the trunk highway fund is \$5,472,000 in each of fiscal years 2028 and 2029.

<b>(c) <u>Public Safety Officer Survivor Benefits</u></b>	<u>1,640,000</u>	<u>1,640,000</u>
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This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

<b>(d) <u>Public Safety Officer Reimbursements</u></b>	<u>1,367,000</u>	<u>1,367,000</u>
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This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

<b>(e) <u>Soft Body Armor Reimbursements</u></b>	<u>745,000</u>	<u>745,000</u>
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This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

<b>(f) <u>Technology and Support Services</u></b>	<u>6,995,000</u>	<u>6,995,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>1,743,000</u>	<u>1,743,000</u>
<u>Trunk Highway</u>	<u>5,252,000</u>	<u>5,252,000</u>

The base from the trunk highway fund is \$5,387,000 in each of fiscal years 2028 and 2029.

Subd. 3. **State Patrol**

<b>(a) <u>Patrolling Highways</u></b>	<u>146,884,000</u>	<u>158,151,000</u>
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\$1,045,000 in fiscal year 2026 is for recruitment and hiring initiatives.

\$10,365,000 in fiscal year 2027 is for recruitment and hiring initiatives, and includes costs associated with an additional State Patrol trooper academy. This appropriation is available until June 30, 2028.

The base is \$148,831,000 in each of fiscal years 2028 and 2029.

<u>(b) <b>Commercial Vehicle Enforcement</b></u>	<u>18,861,000</u>	<u>18,861,000</u>
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<u>(c) <b>Capitol Security</b></u>	<u>19,243,000</u>	<u>19,243,000</u>
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This appropriation is from the general fund.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

<u>(d) <b>Vehicle Crimes Unit</b></u>	<u>1,290,000</u>	<u>1,303,000</u>
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This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

#### Subd. 4. **Driver and Vehicle Services**

<u>(a) <b>Driver Services</b></u>	<u>47,665,000</u>	<u>47,647,000</u>
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This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$133,000 in each year is for implementation costs for the ignition interlock device program under Minnesota Statutes, section 171.306.

\$11,000 in fiscal year 2026 is for costs related to rulemaking for loss of consciousness or voluntary control in conformance with article 2, section 73.

\$9,000 in fiscal year 2027 is for costs related to appointment of a full-service provider in Circle Pines in conformance with article 2, section 74.

\$382,000 in each year is for costs related to modification of driver's license revocation and ignition interlock device program requirements. This appropriation is only available if a law is enacted in the 2025 regular legislative session that amends requirements governing driver's license revocations in conjunction with ignition interlock device program participation. If an appropriation for this purpose is enacted more than once during the 2025 regular legislative session, the appropriation must be given effect once.

**(b) Vehicle Services**

31,959,000

31,960,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$2,189,000 in each year is for reimbursement payments to deputy registrars under Minnesota Statutes, section 168.33, subdivision 7a, and to driver's license agents under Minnesota Statutes, section 171.061, subdivision 4a.

\$91,000 in fiscal year 2026 and \$92,000 in fiscal year 2027 is for public information costs related to modification of the all-electric vehicle surcharge under Minnesota Statutes, section 168.013, subdivision 1m.

**Subd. 5. Traffic Safety**

5,855,000

5,861,000

**Appropriations by Fund**

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>4,495,000</u>	<u>4,495,000</u>
<u>Trunk Highway</u>	<u>1,360,000</u>	<u>1,366,000</u>

\$485,000 in each year is from the trunk highway fund for a federal match related to planning and administration of highway safety activities.

\$1,000,000 in each year is from the general fund for operations and traffic safety projects, grants, and other activities of the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076.

\$2,000,000 in each year is from the general fund for the drug evaluation and classification program for drug recognition evaluator training; phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); required continuing education training for drug recognition experts; program administration; grants to local law enforcement divisions; and grants to eligible employers for drug evaluation and classification training costs of their staff. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures.

**Subd. 6. Pipeline Safety**

2,003,000

2,003,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>560,000</u>	<u>560,000</u>
<u>Special Revenue</u>	<u>1,443,000</u>	<u>1,443,000</u>

The appropriation from the special revenue fund is from the pipeline safety account under Minnesota Statutes, section 299J.18.

**Sec. 5. APPROPRIATION; EMPOWERING SMALL MINNESOTA COMMUNITIES PROGRAM.**

\$2,500,000 in fiscal year 2026 and \$2,500,000 in fiscal year 2027 is appropriated from the general fund to the Board of Regents of the University of Minnesota for the empowering small Minnesota communities program under Minnesota Statutes, section 137.345. This is a onetime appropriation.

**Sec. 6. APPROPRIATION; LOCAL ROAD WETLAND REPLACEMENT PROGRAM.**

\$10,000,000 in fiscal year 2026 is appropriated to the Board of Water and Soil Resources to acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act. The purchase price paid for acquisition of land or permanent easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420. The base is \$6,370,000 in fiscal year 2028 and \$6,370,000 in fiscal year 2029.

**Sec. 7. APPROPRIATIONS; PRIORITY LOCAL TRANSPORTATION PROJECTS.**

Subdivision 1. **Anoka; Rum River Dam pedestrian bridge.** \$5,469,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for one or more grants to the city of Anoka for design, engineering, environmental analysis, right-of-way acquisition including easements, and construction of a pedestrian bridge over the Rum River Dam in the city of Anoka, in association with Rum River Dam improvements. This is a onetime appropriation and is available until June 30, 2029.

Subd. 2. **Arden Hills; Old Highway 10 Trail.** \$1,650,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Arden Hills for right-of-way acquisition including easements and construction of a pedestrian and bicycle trail along Old Highway 10 North from Lake Valentine Road to Lakeshore Place in the city of Arden Hills to connect to the existing regional trail along Ramsey County State-Aid Highway 96. This appropriation is available for a boardwalk required by the United States Fish and Wildlife Service over a wetland space in the project area. This is a onetime appropriation and is available until June 30, 2029.

Subd. 3. **Fairmont; local roads.** \$5,430,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Fairmont for right-of-way acquisition including easements and construction of Kot Street from Charles Street to South Prairie Avenue, and an extension of Fairlakes Avenue to connect Woodland Avenue with Lake Avenue, in the city of Fairmont. This appropriation is available for associated utility and street infrastructure. This is a onetime appropriation and is available until June 30, 2029.

Subd. 4. **Minneapolis; traffic calming.** \$2,500,000 in fiscal year 2026 and \$2,500,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of transportation for one or more grants to the city of Minneapolis for traffic calming infrastructure improvements in the city of Minneapolis, which may include but are not limited to horizontal and vertical deflection elements, intersection improvements, paint, curb bump-outs, bollards, raised crosswalks, and other improvements to improve traffic safety in the road right-of-way. Improvements made on nonmunicipal state-aid streets do not need to meet municipal state-aid streets standards. This is a onetime appropriation.

Subd. 5. **Murray County; highway department maintenance facility.** \$2,000,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to Murray County for design, engineering, construction, furnishing, and equipping Phase 2 of a new highway department maintenance facility for Murray County in the city of Slayton. This appropriation is available for the construction of facility space to store equipment, chemicals, and other materials related to highway maintenance; power and fuel supply systems; and associated improvements to the site to manage traffic safety and stormwater issues related to the facility. This is a onetime appropriation and is available until June 30, 2029.

Subd. 6. **Otter Tail County; Otter Tail CSAH 76 bridge.** \$270,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to Otter Tail County for improvements or replacement of the Otter Tail County State-Aid Highway 76 bridge over Bluff Creek. This is a onetime appropriation and is available until June 30, 2029.

Subd. 7. **Rogers; Hennepin CSAH 150.** \$4,000,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Rogers for construction or reconstruction of Hennepin County State-Aid Highway 150 (Main Street) from Hennepin County State-Aid Highway 116 (Territorial Road) to John Deere Lane in the city of Rogers. This appropriation is available for replacement of associated utilities, pedestrian safety improvements, and improvements consistent with the safe routes to school program under Minnesota Statutes, section 174.40. This is a onetime appropriation and is available until June 30, 2029.

Subd. 8. **Shakopee; railroad quiet zones.** \$6,000,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Shakopee for predesign, design, engineering, environmental analysis, right-of-way acquisition including easements, construction, and equipping new passive and active rail grade crossing warning safety devices necessary to establish quiet zone areas at grade crossings of railroad tracks and city streets in the city of Shakopee. This is a onetime appropriation and is available until June 30, 2029.

Subd. 9. **Stearns County; 322nd Street.** \$3,150,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for one or more grants to Stearns County, the city of St. Cloud, or both for design, engineering, environmental analysis, right-of-way acquisition including easements, and reconstruction of 322nd Street from Stearns County State-Aid Highway 4 to Stearns County State-Aid Highway 133 in and adjacent to the city of St. Cloud. This is a onetime appropriation and is available until June 30, 2029.

Subd. 10. **Stillwater; Myrtle Street.** \$2,023,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Stillwater for design and reconstruction of Myrtle Street from Owens Street to Main Street, and other associated streets to support the construction, in the city of Stillwater. This appropriation is available for reconstruction of retaining walls and water and sanitary sewer utilities. This is a onetime appropriation and is available until June 30, 2029.

Subd. 11. **Waconia; local roads with Trunk Highway 5.** \$4,700,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Waconia for design, engineering, and construction or reconstruction of local road improvements related to the reconstruction of marked Trunk Highway 5 from the intersection with marked Trunk Highway 284 and South Olive Street to the intersection with Carver County State-Aid Highway 59 (Main Street) in the city of Waconia. For the purposes of this subdivision, "local road improvements" includes but is not limited to frontage roads, backage roads, connecting local streets, trails, and utility infrastructure. This is a onetime appropriation and is available until June 30, 2029.

#### Sec. 8. **APPROPRIATIONS; PRIORITY TRUNK HIGHWAY PROJECTS.**

Subdivision 1. **Lakeville; Interstate 35 and Dakota CSAH 50 interchange.** \$40,800,000 in fiscal year 2026 is appropriated from the trunk highway fund to the commissioner of transportation for predesign, design, engineering, environmental analysis, right-of-way acquisition including easements, and construction of bridge and interchange improvements at marked Interstate Highway 35 and Dakota County State-Aid Highway 50 (Kenwood Trail) in the city of Lakeville, including bridges over Dakota County State-Aid Highway 50. This is a onetime appropriation and is available until June 30, 2029.

Subd. 2. **Crookston; U.S. Highway 2 improvements.** \$2,700,000 in fiscal year 2026 is appropriated from the trunk highway fund to the commissioner of transportation for predesign, design, engineering, right-of-way acquisition including easements, and construction of safety improvements along the marked U.S. Highway 2 corridor in the city of Crookston. This appropriation is available for use on portions of the project eligible for trunk highway funds. This is a onetime appropriation and is available until June 30, 2029.

Subd. 3. **Shafer; U.S. Highway 8 roundabout.** \$3,500,000 in fiscal year 2026 is appropriated from the trunk highway fund to the commissioner of transportation for predesign, design, engineering, environmental analysis, right-of-way acquisition including easements, and construction of a roundabout on marked U.S. Highway 8 at the intersection with Chisago County State-Aid Highway 21 in the city of Shafer. This appropriation is for the portion of the project that is eligible for use of trunk highway fund money. This is a onetime appropriation and is available until June 30, 2029.

Subd. 4. **Maple Grove; U.S. Highway 169 and Hennepin CSAH 130 interchange.** \$8,600,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of transportation for predesign, design, engineering, right-of-way acquisition including easements, and construction of capacity and safety improvements to the interchange at marked U.S. Highway 169 and Hennepin County State-Aid Highway 130 in the city of Maple Grove. This appropriation does not require a nonstate match. This is a onetime appropriation and is available until June 30, 2029.

Subd. 5. **Coon Rapids; Trunk Highway 610 and East River Road interchange.** \$10,000,000 in fiscal year 2026 is appropriated from the trunk highway fund to the commissioner of transportation for final design, right-of-way acquisition including easements, construction, and associated improvements for the interchange at marked Trunk Highway 610 and Anoka County State-Aid Highway 1 (East River Road) in the city of Coon Rapids. This appropriation is for the portion of the project that is eligible for use of trunk highway fund money. This appropriation is in addition to the appropriations for the same project in Laws 2023, chapter 68, article 1, section 17, subdivision 15, and Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 3. This is a onetime appropriation and is available until June 30, 2029.

Sec. 9. **APPROPRIATION CANCELLATIONS.**

(a) Of the appropriation in fiscal year 2023 under Laws 2023, chapter 68, article 1, section 10, for a rail corridor service analysis, \$3,072,000 is canceled to the general fund on the effective date of this section.

(b) Of the appropriation in fiscal years 2024 and 2025 under Laws 2023, chapter 68, article 1, section 4, subdivision 5, for projects and activities of the Advisory Council on Traffic Safety, \$3,250,000 is canceled to the general fund on the effective date of this section.

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

Sec. 10. **TRANSFERS.**

(a) \$6,155,000 in fiscal year 2026 and \$6,284,000 in fiscal year 2027 are transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38.

(b) In each applicable forecast under Minnesota Statutes, section 16A.103, prepared on or after the effective date of this section, the commissioner of management and budget must include transfers of \$4,284,000 in fiscal year 2028 and in each fiscal year thereafter from the general fund to the active transportation account under Minnesota Statutes, section 174.38.

(c) In each applicable forecast under Minnesota Statutes, section 16A.103, prepared on or after the effective date of this section, the commissioner of management and budget must include transfers of \$30,821,000 in fiscal year 2028 and \$35,759,000 in fiscal year 2029 from the general fund to the trunk highway fund.

(d) In each applicable forecast under Minnesota Statutes, section 16A.103, prepared on or after the effective date of this section, the commissioner of management and budget must include transfers of \$30,820,000 in fiscal year 2028 and \$35,758,000 in fiscal year 2029 from the general fund to the county state-aid highway fund.

Sec. 11. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended by Laws 2024, chapter 127, article 1, section 10, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) <b>Airport Development and Assistance</b>	24,198,000	18,598,000
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Appropriations by Fund

	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This appropriation is for Phase 1 of the project.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2024 and 2025.

<b>(2) Aviation Support Services</b>	8,332,000	8,340,000
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Appropriations by Fund

	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

\$28,000 in fiscal year 2022 and \$36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

<b>(3) Civil Air Patrol</b>	80,000	80,000
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This appropriation is from the state airports fund for the Civil Air Patrol.

<b>(b) Transit and Active Transportation</b>	23,501,000	18,201,000
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This appropriation is from the general fund.



\$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

\$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

<b>(c) Safe Routes to School</b>	5,500,000	500,000
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

<b>(d) Passenger Rail</b>	10,500,000	500,000
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This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, ~~2025~~ 2028.

<b>(e) Freight</b>	8,342,000	7,323,000
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#### Appropriations by Fund

	2022	2023
General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

\$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, 2023.

\$350,000 in fiscal year 2022 and \$287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes,

section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

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

Sec. 12. Laws 2021, First Special Session chapter 14, article 11, section 45, is amended to read:

Sec. 45. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

\$6,200,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for project development of a land bridge freeway lid over marked Interstate Highway 94 in a portion of the segment from Lexington Avenue to Rice Street in St. Paul. This amount is available to match federal funds and for project planning and development, including area planning, community and land use planning, economic development planning, design, and project management and analysis. From this amount, the commissioner may make grants to Reconnect Rondo to perform any eligible project development activities. This is a onetime appropriation and is available until June 30, ~~2025~~ 2026.

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

Sec. 13. Laws 2023, chapter 60, article 10, section 9, is amended to read:

Sec. 9. <b>DEPARTMENT OF TRANSPORTATION</b>	<b>\$310,000</b>	<b>\$-0-</b>
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\$310,000 the first year is ~~for awarding grants~~ to assist manufacturers to obtain environmental product declarations for certain construction materials used to build roads and other transportation infrastructure under Minnesota Statutes, section 16B.312. Of this amount, up to \$10,000 is for the reasonable costs of the department to administer that section. This appropriation is available until June 30, 2027.

Sec. 14. Laws 2023, chapter 68, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) <b>Airport Development and Assistance</b>	<b>69,598,000</b>	<b>18,598,000</b>
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Appropriations by Fund

	2024	2025
General	36,000,000	-0-
Airports	33,598,000	18,598,000

The appropriation from the state airports fund must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$36,000,000 in fiscal year 2024 is from the general fund for matches to federal aid and state investments related to airport infrastructure projects. This is a onetime appropriation and is available until June 30, 2027.

\$15,000,000 in fiscal year 2024 is from the state airports fund for system maintenance of critical airport safety systems, equipment, and essential airfield technology.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, the appropriation from the state airports fund is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2026 and 2027.

<b>(2) Aviation Support Services</b>	15,397,000	8,431,000
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Appropriations by Fund

	2024	2025
General	8,707,000	1,741,000
Airports	6,690,000	6,690,000

\$7,000,000 in fiscal year 2024 is from the general fund to purchase two utility aircraft for the Department of Transportation.

<b>(3) Civil Air Patrol</b>	80,000	80,000
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This appropriation is from the state airports fund for the Civil Air Patrol.

<b>(b) Transit and Active Transportation</b>	58,478,000	18,374,000
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This appropriation is from the general fund.

\$200,000 in fiscal year 2024 and \$50,000 in fiscal year 2025 are for a grant to the city of Rochester to implement demand response transit service using electric transit vehicles. The money is available for mobile software application development; vehicles and equipment, including accessible vehicles; associated charging infrastructure; and capital and operating costs.

\$40,000,000 in fiscal year 2024 is for matches to federal aid and state investments related to transit and active transportation projects. This is a onetime appropriation and is available until June 30, 2027.

**(c) Safe Routes to School**

15,297,000

10,500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The appropriations in each year are available until June 30, 2027.

The base for this appropriation is \$1,500,000 in each of fiscal years 2026 and 2027.

**(d) Passenger Rail**

197,521,000

4,226,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$194,700,000 in fiscal year 2024 is for capital improvements and betterments for the Minneapolis-Duluth Northern Lights Express intercity passenger rail project, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, equipment and rolling stock, and construction. From this appropriation, the amount necessary is for: (1) Coon Rapids station improvements to establish a joint station that provides for Amtrak train service on the Empire Builder line between Chicago and Seattle; and (2) acquisition of equipment and rolling stock for purposes of participation in the Midwest fleet pool to provide for service on Northern Lights Express and expanded Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner of transportation must not approve additional stops or stations beyond those included in the Federal Railroad Administration's January 2018 Finding of No Significant Impact and Section 4(f) Determination if the commissioner determines that the resulting speed reduction would negatively impact total ridership. This appropriation is onetime and is available until June 30, 2028.

\$1,833,000 in fiscal year 2024 and \$3,238,000 in fiscal year 2025 are for a match to federal aid for capital and operating costs for expanded Amtrak train service between Minneapolis and St. Paul and Chicago. These amounts are available until June 30, 2028.

The base from the general fund is \$5,742,000 in each of fiscal years 2026 and 2027.

(e) <b>Freight</b>	14,650,000	9,066,000
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Appropriations by Fund

	2024	2025
General	8,283,000	2,400,000
Trunk Highway	6,367,000	6,666,000

\$5,000,000 in fiscal year 2024 is from the general fund for matching federal aid grants for improvements, engineering, and administrative costs for the Stone Arch Bridge in Minneapolis. This is a onetime appropriation and is available until June 30, 2027.

\$1,000,000 in each year is from the general fund for staff, operating costs, and maintenance related to weight and safety enforcement systems.

\$974,000 in fiscal year 2024 is from the general fund for procurement costs of a statewide freight network optimization tool under Laws 2021, First Special Session chapter 5, article 4, section 133. This is a onetime appropriation and is available until June 30, 2025.

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

Sec. 15. Laws 2023, chapter 68, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **State Roads**

(a) <b>Operations and Maintenance</b>	414,220,000	425,341,000
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Appropriations by Fund

	2024	2025
General	2,000,000	-0-
Trunk Highway	412,220,000	425,341,000

\$1,000,000 in fiscal year 2024 is from the general fund for the highways for habitat program under Minnesota Statutes, section 160.2325. This amount is available until June 30, 2027.

\$248,000 in each year is from the trunk highway fund for living snow fence implementation and maintenance activities.

\$1,000,000 in fiscal year 2024 is from the general fund for safe road zones under Minnesota Statutes, section 169.065, including development and delivery of public awareness and education campaigns about safe road zones.

**(b) Program Planning and Delivery**

**(1) Planning and Research**

32,679,000

33,465,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

**(2) Program Delivery**

274,451,000

273,985,000

**Appropriations by Fund**

	2024	2025
General	2,250,000	2,000,000
Trunk Highway	272,201,000	271,985,000

This appropriation includes use of consultants to support development and management of projects.

\$10,000,000 in fiscal year 2024 is from the trunk highway fund for roadway design and related improvements that reduce speeds and eliminate intersection interactions on rural high-risk roadways. The commissioner must identify roadways based on crash information and in consultation with the Advisory Council on

Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners. This is a onetime appropriation and is available until June 30, 2026.

\$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

\$1,193,000 in fiscal year 2024 is from the trunk highway fund for costs related to the property conveyance to the Upper Sioux Community of state-owned land within the boundaries of Upper Sioux Agency State Park, including fee purchase, property purchase, appraisals, and road and bridge demolition and related engineering. This amount is available until June 30, 2027.

\$250,000 in fiscal year 2024 is from the general fund for costs related to the Clean Transportation Fuel Standard Working Group established under article 4, section 124.

\$1,000,000 in each year is available from the trunk highway fund for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

<b>(c) State Road Construction</b>	1,207,013,000	1,174,045,000
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Appropriations by Fund

	2024	2025
General	1,800,000	-0-
Trunk Highway	1,205,213,000	1,174,045,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

\$1,500,000 in fiscal year 2024 is from the general fund for living snow fence implementation, including: acquiring and planting trees, shrubs, native grasses, and wildflowers that are climate adaptive to Minnesota; improvements; contracts; easements; rental agreements; and program delivery.

\$300,000 in fiscal year 2024 is from the general fund for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone. This appropriation is available following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base from the trunk highway fund is \$1,161,813,000 in each of fiscal years 2026 and 2027.

<b>(d) Corridors of Commerce</b>	25,000,000	25,000,000
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This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

<b>(e) Highway Debt Service</b>	268,336,000	291,394,000
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\$265,336,000 in fiscal year 2024 and \$288,394,000 in fiscal year 2025 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.



(f) **Statewide Radio Communications** 8,653,000 6,907,000

Appropriations by Fund

	2024	2025
General	2,003,000	3,000
Trunk Highway	6,650,000	6,904,000

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$2,000,000 in fiscal year 2024 is from the general fund for Allied Radio Matrix for Emergency Response (ARMER) tower building improvements and replacement.

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

Sec. 16. Laws 2024, chapter 127, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **State Roads**

(a) **Operations and Maintenance** -0- 2,405,000

\$300,000 in fiscal year 2025 is for rumble strips under Minnesota Statutes, section 161.1258.

\$1,000,000 in fiscal year 2025 is for landscaping improvements located within trunk highway rights-of-way under the Department of Transportation's community roadside landscape partnership program, with prioritization of tree planting as feasible.

\$1,000,000 is from the general fund for the traffic safety camera pilot program under Minnesota Statutes, section 169.147, and the evaluation and legislative report under article 3, sections 116 and 117. With the approval of the commissioner of transportation, any portion of this appropriation is available to the commissioner of public safety. This is a onetime appropriation and is available until June 30, 2029.

\$105,000 in fiscal year 2025 is for the cost of staff time to coordinate with the Public Utilities Commission relating to placement of high voltage transmission lines along trunk highways.

(b) **Program Planning and Delivery** -0- 5,800,000

\$3,000,000 in fiscal year 2025 is for implementation and development of statewide and regional travel demand modeling related to the requirements under Minnesota Statutes, section 161.178. This is a onetime appropriation and is available until June 30, 2026.

\$800,000 in fiscal year 2025 is for one or more grants to metropolitan planning organizations outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for modeling activities related to the requirements under Minnesota Statutes, section 161.178. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2026.

\$2,000,000 in fiscal year 2025 is to complete environmental documentation and for preliminary engineering and design for the reconstruction of marked Trunk Highway 55 from Hennepin County State-Aid Highway 19, north of the city of Loretto to Hennepin County Road 118 near the city of Medina. This is a onetime appropriation and is available until June 30, 2027.

**(c) State Road Construction**

-0-

10,900,000

\$8,900,000 in fiscal year 2025 is for the acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highway bridges, including design-build contracts, program delivery, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. Projects under this appropriation must follow eligible investment priorities identified in the Minnesota state highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c. The commissioner may use up to 17 percent of this appropriation for program delivery. This is a onetime appropriation and is available until June 30, 2028.

\$1,000,000 in fiscal year 2025 is for predesign and design of intersection safety improvements along marked Trunk Highway 65 from the interchange with marked U.S. Highway 10 to 99th Avenue Northeast in the city of Blaine. This is a onetime appropriation.

\$1,000,000 in fiscal year 2025 is to design and construct trunk highway improvements associated with an interchange at U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians and for bridge and road construction. This is a onetime appropriation and is available until June 30, 2027.

**(d) Highway Debt Service**

-0-

468,000

This appropriation is for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under

Minnesota Statutes, section 16A.641, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

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

Sec. 17. **ALLOCATION; WASHINGTON AVENUE BRIDGE SUICIDE PREVENTION.**

Notwithstanding Minnesota Statutes, section 297A.993, subdivision 2, from funds received under Minnesota Statutes, section 297A.993, Hennepin County must award a grant of \$15,000,000 to the Board of Regents of the University of Minnesota to design and construct suicide barriers and provide suicide diversion information resources on the Washington Avenue Bridge in the city of Minneapolis.

ARTICLE 2  
TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2024, section 4.076, subdivision 4, is amended to read:

Subd. 4. **Duties.** The advisory council must:

(1) advise the governor and heads of state departments and agencies on policies, programs, and services affecting traffic safety;

(2) advise the appropriate representatives of state departments on the activities of the Toward Zero Deaths program, including but not limited to educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups;

(5) review and comment ~~on all grants dealing with traffic safety and~~ on the development and implementation of state and local traffic safety plans;

(6) advise the commissioner of public safety on agreements and grants as provided in subdivision 5; and

~~(6)~~ (7) make recommendations on safe road zone safety measures under section 169.065.

Sec. 2. Minnesota Statutes 2024, section 4.076, subdivision 5, is amended to read:

Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the administrative and operational aspects of the advisory council's activities. The commissioner of public safety must perform financial management on behalf of the council.

(b) The advisory council must meet no less than four times per year, or more frequently as determined by the chair, a vice chair, or a majority of the council members. The advisory council is subject to chapter 13D.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

(f) The commissioner of public safety may enter into contracts and interagency agreements for data, expertise, and research projects to provide assistance to the advisory council.

(g) From an appropriation in law to the advisory council, the commissioner of public safety may enter into grant agreements for projects that reduce serious and fatal injury crashes. Eligible recipients of funds include but are not limited to a local traffic safety coalition, local unit of government, nonprofit organization, and law enforcement agency. The commissioner must give priority to local traffic safety coalitions.

Sec. 3. **[137.345] EMPOWERING SMALL MINNESOTA COMMUNITIES PROGRAM.**

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

(b) "Program" means the empowering small Minnesota communities program established by the Board of Regents of the University of Minnesota.

(c) "Small community" means a local unit of government having a population of fewer than 15,000 or a collaboration of more than one local unit of government each having a population of fewer than 15,000.

Subd. 2. **Program assistance.** (a) An appropriation under the program is for small community partnerships on infrastructure project analysis and development as provided in this section.

(b) Support and assistance under the program must be prioritized for political subdivisions and federally recognized Tribal governments based on insufficient capacity to undertake project development and apply for state or federal infrastructure grants.

Subd. 3. **Uses.** (a) An appropriation under the program is available for:

(1) project partnership activities in the Regional Sustainable Development Partnerships, the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School of Public Affairs, the Center for Urban and Regional Affairs, or other related entities; and

(2) support and assistance to small communities that includes:

(i) methods to incorporate consideration of sustainability, resiliency, and adaptation to the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets.

(b) An agreement with a small community may provide for infrastructure project analysis and development activities that include but are not limited to planning, scoping, analysis, predesign, and design.

Subd. 4. **Program information.** From an appropriation under the program, the regents must maintain information about the program on a website that, at a minimum, must include:

- (1) a review of the program and implementation;
- (2) a summary of projects under the program;
- (3) financial information that identifies sources and uses of funds; and
- (4) direction on applications for partnership assistance.

Sec. 4. Minnesota Statutes 2024, section 161.115, subdivision 177, is amended to read:

Subd. 177. **Route No. 246.** Beginning at a point in or adjacent to Nerstrand; thence extending in a general northerly direction to a point westerly of Dennison; thence continuing in a general northwesterly direction to a point ~~on Route No. 1 at or~~ near 110th Street East near Northfield.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 5. Minnesota Statutes 2024, section 161.178, subdivision 1, is amended to read:

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

(b) "Applicable entity" means the commissioner with respect to a project or portfolio for inclusion in the state transportation improvement program or a metropolitan planning organization with respect to a project or portfolio for inclusion in the appropriate metropolitan transportation improvement program.

(c) "Assessment" means the impact assessment under this section.

(d) "Capacity expansion project" means a project for trunk highway construction or reconstruction that:

- (1) is a major highway project, as defined in section ~~174.56~~ 174.034, subdivision 1, paragraph ~~(b)~~ (c); and
- (2) adds highway traffic capacity or provides for grade separation of motor vehicle traffic at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

(e) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

Sec. 6. Minnesota Statutes 2024, section 161.178, subdivision 2a, is amended to read:

Subd. 2a. **Applicable projects; implementation.** (a) For purposes of this section:

(1) prior to the date established under paragraph (b), a project or portfolio is a capacity expansion project the requirements under this section do not apply to any project; and

(2) on and after the date established under paragraph (b), a project or portfolio is a capacity expansion project or a collection of trunk highway and multimodal projects for a fiscal year and specific region.

(b) The commissioner must establish a date to implement impact assessments on the basis of assessing a portfolio or program of projects instead of or on a project-by-project basis. The date must be:

(1) August 1, ~~2027~~ 2028, which applies to projects that first enter the appropriate transportation improvement program for fiscal year ~~2031~~ 2032 or a subsequent year; or

(2) after the date under clause (1) as established by the commissioner, if the commissioner:

(i) consults with metropolitan planning organizations;

(ii) prioritizes and makes reasonable efforts to meet the date under clause (1) ~~or an earlier date~~;

(iii) determines that the date established under this clause is the earliest practicable in which the necessary models and tools are sufficient for analysis under this section; and

(iv) submits a notice to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance, which must identify the date established and summarize the efforts under item (ii) and the determination under item (iii).

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

Sec. 7. Minnesota Statutes 2024, section 161.178, subdivision 8, is amended to read:

Subd. 8. **Transportation impact assessment and mitigation account.** (a) A transportation impact assessment and mitigation account is established in the special revenue fund. The account consists of funds provided under section 168.013, subdivision 1m, and by law and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner and must only be expended on activities described or required under this section. In determining expenditures from the account, the commissioner must include prioritization for offset actions interlinked to trunk highway projects that reduce traffic fatalities or severe injuries.

Sec. 8. Minnesota Statutes 2024, section 161.178, is amended by adding a subdivision to read:

Subd. 9. **Account transfers.** (a) For purposes of this subdivision, "account balance" means the unencumbered balance in the transportation impact assessment and mitigation account under subdivision 8 on June 30 of a fiscal year.

(b) Beginning July 1, 2028, in each fiscal year, if the account balance for the previous fiscal year exceeds 50 percent of the total deposited during that fiscal year, by November 1, the commissioner must transfer an amount as determined in paragraph (c) from the transportation impact assessment and mitigation account to the highway user tax distribution fund.

(c) The amount for transfer under paragraph (b) equals 90 percent of the lesser of (1) the account balance for the previous fiscal year, or (2) the amount of unencumbered funds in the transportation impact assessment and mitigation account at the time of transfer.

Sec. 9. Minnesota Statutes 2024, section 162.16, is amended to read:

**162.16 INVESTMENT OF MONEY ~~IN STATE-AID FUNDS.~~**

Subdivision 1. **State investment of state-aid funds.** Upon the request of the commissioner, money in the county state-aid highway fund and money in the municipal state-aid street fund ~~shall~~ must be invested by the State Board of Investment in those securities authorized for such purpose in section 11A.21. All interest and profits from the investments ~~shall~~ must be credited to the fund on which the interest or profits are earned. The commissioner of management and budget ~~shall be~~ is the custodian of all securities purchased under the provisions of this section.

Subd. 2. **Use of local investment.** (a) For purposes of this subdivision, "transportation revenue source" includes but is not limited to:

- (1) funds provided to a local unit of government under section 16A.88 or 297A.815 or chapters 160 to 174;
  - (2) grants, loans, or other financial assistance provided in law from state sources of funds for a specified transportation project, program, or purpose;
  - (3) revenue from transportation-related taxes and fees authorized in statutes, including under sections 163.051, 297A.9915, 297A.992, 297A.993, 473.408, and 473.446, except for filing fees under sections 168.33 and 171.061;
  - (4) reserves established from a source specified in this paragraph; and
  - (5) certificates of indebtedness, notes, or other obligations secured by a source specified in this paragraph.
- (b) A local unit of government must use interest or other investment earnings on a transportation revenue source only for transportation purposes.

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

Sec. 10. Minnesota Statutes 2024, section 168.002, subdivision 6, is amended to read:

Subd. 6. **Dealer.** "Dealer" means any person, firm, or corporation regularly engaged in the business of manufacturing, or selling, purchasing, and generally dealing in new and unused motor vehicles having an established place of business for the sale, trade, and display of new and unused motor vehicles and having in possession new and unused motor vehicles for the purposes of sale or trade. "Dealer" also includes any person, firm or corporation regularly engaged in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicle bodies, chassis mounted or not, and having an established place of business for the sale, trade and display of such new and unused motor vehicle bodies, and having in possession new and unused motor vehicle bodies for the purposes of sale or trade. For the purposes of sections 168.27, subdivision 28; 168.33, subdivision 8a; 168.345; and 168.346, the commissioner may consider a motor vehicle dealer licensed under the laws of a contiguous state as a dealer or licensed dealer.

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

Sec. 11. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. ~~**Electric**~~ **All-electric vehicle.** ~~In addition to the tax under subdivision 1a,~~ (a) A surcharge of \$75 ~~\$200~~ is imposed for an all-

electric vehicle, as defined in section 169.011, subdivision 1a. The surcharge is in addition to the tax under subdivision 1a.

(b) Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited as follows:

- (1) 80 percent in the highway user tax distribution fund; and
- (2) 20 percent in the transportation impact assessment and mitigation account under section 161.178, subdivision 8.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to taxes payable for a registration period starting on or after July 1, 2025.

Sec. 12. Minnesota Statutes 2024, section 168.091, is amended to read:

**168.091 ~~31-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.**

Subdivision 1. **Nonresident buyer.** (a) Upon payment of a fee of \$1, the commissioner may issue a permit to a nonresident purchasing a vehicle in this state for the sole purpose of allowing the vehicle to be removed from this state.

(b) The permit is in lieu of any other registration or taxation for use of the highways and is valid for a period of ~~31~~ 60 days from the date of sale, trade, or gift.

(c) The permit must be available in an electronic format as determined by the commissioner.

(d) If the sale, gift, or trade information is electronically transmitted to the commissioner by a dealer or deputy registrar of motor vehicles, the \$1 fee is waived.

(e) The permit must be affixed to the rear of the vehicle where it is plainly visible. Each permit is valid only for the vehicle for which the permit was issued.

Subd. 2. **Dealer.** The registrar may issue permits to licensed dealers upon payment of the proper fee for each permit.

Subd. 3. **Proceeds to highway user fund.** All payments received for such permits ~~shall~~ must be paid into the state treasury and credited to the highway user tax distribution fund.

**EFFECTIVE DATE.** This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 13. Minnesota Statutes 2024, section 168.1287, subdivision 1, is amended to read:

Subdivision 1. **Issuance of plates.** The commissioner must issue blackout special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually ~~to the driver and vehicle services operating account~~; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Sec. 14. Minnesota Statutes 2024, section 168.1287, subdivision 5, is amended to read:

Subd. 5. **Contributions; account.** Contributions collected under subdivision 1, clause (5), must be deposited:

(1) 56.25 percent in the driver and vehicle services operating account under section 299A.705; and

(2) 43.75 percent in the highway user tax distribution fund.



Sec. 15. **[168.1289] RENTAL MOTOR VEHICLE PLATES.**

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

(b) "Auto rental company" means a corporation, partnership, individual, or other person that is engaged primarily in the renting of at least 50 rental motor vehicles at per diem rates.

(c) "Rental motor vehicle" means a passenger automobile, noncommercial one-ton pickup truck, motorcycle, motorized bicycle, or recreational vehicle made available for rental by an auto rental company.

**Subd. 2. Issuance of plates.** (a) An auto rental company may, but is not required to, apply for rental motor vehicle plates under this section.

(b) Upon proper application, the commissioner must issue rental motor vehicle plates or a single motorcycle plate to an auto rental company that:

(1) is a registered owner of a rental motor vehicle;

(2) pays license plate fees under section 168.12, subdivision 5, for each set of plates for each rental motor vehicle, along with any other fees required by this chapter;

(3) pays the registration tax for each rental motor vehicle as required under section 168.013;

(4) pays the fees required under this chapter; and

(5) complies with section 168.017 and rules governing registration of rental motor vehicles.

(c) Rental motor vehicle plates issued under this section are issued for a seven-year period and must be replaced as required under section 168.12, subdivision 1, paragraph (f), clause (2).

(d) Each set of rental motor vehicle plates issued under this section is only valid if the plates are registered to a single rental motor vehicle.

**Subd. 3. Design.** The commissioner must adopt a suitable plate design that includes the phrase "RENTAL MOTOR VEHICLE."

**Subd. 4. Plates transfer.** (a) On application to the commissioner and payment of a transfer fee of \$5 for each set of plates, rental motor vehicle plates may be transferred to another qualified rental motor vehicle that is registered to the same auto rental company to which the rental motor vehicle plates were originally issued.

(b) A deputy registrar who collects the \$5 transfer fee under paragraph (a) must retain the fee.

(c) Rental motor vehicle plates issued under this section must be removed from the rental motor vehicle if the vehicle is held for resale under section 168A.11.

**Subd. 5. Exemptions.** (a) Rental motor vehicle plates issued under this section are not subject to section 168.1293, subdivision 2.

(b) Notwithstanding sections 168.09, subdivision 4, and 169.79, subdivision 8, rental motor vehicle plates issued under this section are not required to display validation stickers issued pursuant to section 168.12, subdivision 1.

Subd. 6. **Application.** This section applies on the earlier of July 1, 2026, or the date the commissioner makes rental motor vehicle plates available.

Sec. 16. Minnesota Statutes 2024, section 168.27, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) Salespeople and other employees of licensed dealers under this section are not required to obtain individual licenses. For purposes of this subdivision, independent contractors are not employees.

(b) Isolated or occasional sales or leases of new or used motor vehicles are exempt from this section. A person who makes only isolated or occasional sales or leases is not required to be licensed under this section, is not considered to be in the business of selling or leasing motor vehicles, and does not qualify to receive dealer plates under subdivision 16. "Isolated or occasional sales or leases" means: (1) the sale or lease of a motor vehicle with an actual cash value of \$1,000 or less made by a charitable organization; (2) the sale, purchase, or lease of not more than five motor vehicles in a 12-month period, other than pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b; or (3) sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property. For purposes of this subdivision, charitable organization means a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code.

(c) A person whose sales of new and used motor vehicles consist solely of sales to political subdivisions and their agencies of vehicles used solely as firefighting equipment is not required to obtain a license under this section. The person may apply for and receive in-transit plates under subdivision 17 in the same manner as licensed motor vehicle dealers for the purpose of allowing firefighting equipment to be transported from the dealer's source of supply or other place of storage to the dealer's place of business, to another place of storage, or directly to the purchaser.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner ~~shall~~ must grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner ~~shall~~ must inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 180 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) if ~~within the previous ten years~~ the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 49, sections 32701 to 32711 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction

of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, ~~or~~ bribery, or similar offenses committed in another state; or

(2) if the applicant has had a dealer license revoked within the previous ten years.

(f) A license may be denied if a dealer is not in compliance with location requirements under subdivision 10 or has intentionally misrepresented any information on the dealer license application that would be grounds for suspension or revocation under subdivision 12.

(g) If the application is approved, the commissioner ~~shall~~ must license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(h) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the driver and vehicle services operating account under section 299A.705.

(i) An applicant for a dealer's license under this section must submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation. The results of the background check must be returned to the commissioner.

(j) An applicant for a dealer's license must consent to a fingerprint-based criminal history background check as required under paragraph (i), pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 18. Minnesota Statutes 2024, section 168.27, subdivision 16, is amended to read:

Subd. 16. **Dealer plates: ~~distinguishing number; issuance, fee, tax, use.~~** (a) The registrar ~~shall~~ must issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates, not to exceed 50, displaying a general distinguishing number. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool.

(b) The fee for each of the first four plates plate issued by the registrar is \$75 per registration year, of which \$60 must be paid to the registrar and the remaining \$15 is payable as sales tax on motor vehicles under section 297B.035. For each additional plate, the dealer shall pay the registrar a fee of \$25 and a sales tax on motor vehicles of \$15 per registration year. The registrar shall must deposit the tax in the state treasury to be credited as provided in section 297B.09. Replacement plates are subject to the fees in section 168.12.

(c) A trade association exempt from federal taxation under section 501(c)(6) of the Internal Revenue Code, with a membership of at least 100 licensed new motor vehicle dealers, is authorized to issue dealer plates and process annual renewals on behalf of the registrar. A motor vehicle dealer licensed as provided in subdivision 2 or 3 may be issued up to 50 dealer plates by an authorized trade association and may annually renew plates previously purchased from the trade association. The fee for each plate issued or renewed under this paragraph is \$60 per registration year, of which \$45 must be paid to the registrar and the remaining \$15 is payable as sales tax on motor vehicles

under section 297B.035. A trade association may impose and retain an additional service charge, which must be designed to cover the association's costs of compliance, distribution, and storage and other related costs. The total annual amount charged by a trade association for a dealer plate under this paragraph must not exceed the total imposed under paragraph (b).

(d) At any point in time, a dealer must not possess more than 50 plates issued under this subdivision.

(e) Motor vehicles, new or used, owned by the motor vehicle dealership and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or used by the dealer as a tow truck, service truck, or parts vehicle, may be driven upon the streets and highways of this state:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) for use on a courtesy vehicle provided to a customer of the dealership while the customer's vehicle is being repaired;

(4) for demonstration purposes by any prospective buyer for a period of 48 hours or in the case of a truck, truck tractor, or semitrailer, for a period of seven 14 days; or

(4) (5) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

~~(b)~~ (f) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) removing the vehicle from this state for registration in another state; or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under clause (2) before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles. The requirements under this paragraph do not apply to a courtesy vehicle used as provided under paragraph (e), clause (3).

(g) A vehicle displaying a dealer plate issued under this subdivision must carry written documentation within the vehicle that includes:

(1) a valid driver's license;

(2) proof of insurance;

(3) the reason for use; and

(4) if the vehicle is for use as a courtesy vehicle under paragraph (e), clause (3), a courtesy vehicle user agreement that includes a list of authorized drivers for the vehicle and their driver's license numbers and the start and end dates of use.

(h) For purposes of this subdivision, a "courtesy vehicle" means a passenger-class motor vehicle that a motor vehicle dealer temporarily provides at no or minimal cost to customers for customer service or mobility purposes while the customer's vehicle is serviced, repaired, or maintained.

Sec. 19. Minnesota Statutes 2024, section 168.27, subdivision 22, is amended to read:

Subd. 22. **Dealer license for trailers, motorized bicycles; plates, fees; exemptions.** (a) Any person, copartnership, or corporation having a permanent enclosed commercial building or structure either owned in fee or leased and engaged in the business, either exclusively or in addition to any other occupation, of selling motorized bicycles, boat trailers, horse trailers, or snowmobile trailers, may apply to the registrar for a dealer's license. Upon payment of a \$10 fee the registrar ~~shall~~ **must** license the applicant as a dealer for the remainder of the calendar year in which the application was received. The license may be renewed on or before the second day of January of each succeeding year by payment of a fee of \$10.

(b) The registrar ~~shall~~ **must** issue to each dealer, upon request of the dealer, up to 50 dealer plates as on payment of the fee provided in subdivision 16 upon payment of \$5 for each plate, and, paragraph (b). The plates may be used in the same manner and for the same purposes as is provided in subdivision 16. Except for motorized bicycle dealers, the registrar ~~shall~~ **must** also issue to the dealer, upon request of the dealer, "in-transit" plates as provided in subdivision 17 upon payment of a fee of \$5 for each plate.

(c) This subdivision does not abrogate any of the provisions of this section relating to the duties, responsibilities, and requirements of persons, copartnerships, or corporations engaged in the business, either exclusively or in addition to other occupations, of selling motor vehicles or manufactured homes, except that a seller of boat trailers, utility trailers, or snowmobile trailers who is licensed under this subdivision is not required to have a contract or franchise with a manufacturer or distributor of new boat trailers, utility trailers, or new snowmobile trailers the seller proposes to sell, broker, wholesale, or auction. This section does not require a manufacturer of snowmobile trailers whose manufacturing facility is located outside of the metropolitan area as defined in section 473.121 to have a dealer's license to transport the snowmobile trailers to dealers or retail outlets in the state.

Sec. 20. Minnesota Statutes 2024, section 168.33, is amended by adding a subdivision to read:

Subd. 7a. **Reimbursements.** (a) The commissioner must issue payment to a deputy registrar as follows:

(1) \$2 for paying an account balance;

(2) \$4 for the following transactions:

(i) updating a vehicle's address or the county in which the vehicle is kept;

(ii) changing or verifying an address related to the International Registration Plan or the International Fuel Tax Agreement;

(iii) updating contact information for the International Registration Plan or the International Fuel Tax Agreement;

(iv) processing a vehicle that has been sold, donated, or removed from the state; and

(v) marking a vehicle as junked;

(3) \$8 for the following transactions:

(i) changing a customer's personal identification number;

(ii) adding or removing liens for veterans with a total service-connected disability;

(iii) providing a duplicate title;

(iv) issuing International Fuel Tax Agreement decals;

(v) managing an International Fuel Tax Agreement license; and

(vi) administrative review requests; and

(4) an amount that equals the fee established under subdivision 7, paragraph (a), clause (2), for the following transactions:

(i) vehicle renewal for veterans with a total service-connected disability;

(ii) plate change for veterans with a total service-connected disability;

(iii) correcting or changing title and vehicle details;

(iv) issuing a new disability parking certificate;

(v) new title and registration for veterans with a total service-connected disability;

(vi) transferring title and registration for veterans with a total service-connected disability; and

(vii) replacing plates, stickers, or registration cards.

(b) The following transactions for which no filing fee under subdivision 7 is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the deputy registrar; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(c) If the amount appropriated for payments under this subdivision is insufficient, the commissioner must prorate the payments.

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

Sec. 21. Minnesota Statutes 2024, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring the vehicle to another person, other than by the creation of a security interest, the dealer must promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided on the certificate of title or secure reassignment.

(b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the dealer need not register the vehicle but must pay one month's registration tax. If a dealer elects to apply for a certificate of title on a vehicle held for resale, the commissioner must not place any legend on the title that no motor vehicle sales tax was paid by the dealer but may indicate on the title whether the vehicle is a new or used vehicle.

(c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer must also, in the space provided on the certificate of title or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage.

(d) The transferee must complete the application for title section on the certificate of title or separate title application form prescribed by the commissioner. The dealer must mail or deliver the certificate to the commissioner or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within the period specified under section 168A.10, subdivision 2.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer must remove any license plates from the vehicle, issue a ~~31-day~~ 60-day temporary permit pursuant to section 168.091, and notify the commissioner within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the commissioner. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of \$7 per transaction to provide this service.

**EFFECTIVE DATE.** This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 22. **[168A.1502] INSURER APPLICATION FOR TITLE.**

(a) When an insurer licensed to conduct business in Minnesota acquires ownership of a vehicle through payment of damages and the owner fails to deliver the vehicle's title to the insurer within 15 days of payment of the claim, the insurer or a designated agent may apply to the commissioner for a certificate of title as provided in this section. This section only applies to vehicles with a title issued by this state.

(b) At least 15 days prior to applying for a certificate of title under this section, the insurer or a designated agent must notify the owner and any lienholders of record of the insurer's intent to apply for a title. The notice must be sent to the last known address of the owner and any lienholders by certified mail or by a commercial delivery service that provides evidence of delivery.

(c) At least 15 days after notifying the owner and any lienholders under paragraph (b), the insurer may apply for a certificate of title from the commissioner. The application must attest that the insurer or a designated agent:

(1) paid the claim;

(2) requested the title or other necessary transfer documents from the owner; and

(3) provided notice to the owner and any lienholders as required under paragraph (b).

If the insurer or a designated agent does not attest to completing the requirements under clauses (1) to (3), the commissioner must reject the application.

(d) Notwithstanding any outstanding liens, upon proper application, the commissioner must issue a certificate of title in the name of the insurer. Issuance of a certificate of title extinguishes all existing liens against the vehicle. If the vehicle is sold, the insurer or a designated agent must assign the title to the buyer, and the vehicle is transferred without any liens.

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

Sec. 23. **[168A.1503] REQUIREMENTS UPON UNPAID INSURANCE VEHICLE CLAIM.**

Subdivision 1. **Definition.** For purposes of this section, "salvage vehicle auction company" or "auction company" means a business, organization, or individual that sells salvage vehicles on behalf of insurers.

Subd. 2. **Notice to auction company.** (a) If an insurance company licensed to conduct business in Minnesota requests an auction company to take possession of a salvage vehicle that is subject to an insurance claim and the insurance company does not subsequently take ownership of the vehicle, the insurance company may direct the auction company to release the vehicle to the owner or lienholder.

(b) The insurance company must provide the auction company notice by commercial delivery service, email, or a proprietary electronic system accessible by both the insurance company and the auction company authorizing the auction company to release the vehicle to the vehicle's owner or lienholder.

Subd. 3. **Notice to owner or lienholder.** (a) Upon receiving notice from an insurance company under subdivision 2, the auction company must send two notices a minimum of 14 days apart to the owner of the vehicle and any lienholders stating that the vehicle is available to be recovered from the auction company within 30 days of the date the first notice was sent. Each notice must include an invoice for any outstanding charges owed to the auction company that must be paid before the vehicle may be recovered.

(b) Notice under this subdivision must be sent to the address of the owner and any lienholder on record with the commissioner by certified mail or a commercially available delivery service that provides proof of delivery.

Subd. 4. **Vehicle deemed abandoned.** (a) If the owner or any lienholder does not recover the vehicle within 30 days of the date on which the first notice was sent under subdivision 3:

(1) the vehicle is considered abandoned;

(2) the vehicle's certificate of title is deemed assigned to the auction company; and

(3) without surrendering the certificate of title, the auction company may request, on a form provided by the commissioner, that the commissioner issue a certificate of title that is free of liens.

(b) A request under paragraph (a) must be accompanied by a copy of (1) the notice sent by the insurance company required under subdivision 2, and (2) evidence of delivery of the notices sent to the owner and any lienholders required under subdivision 3 or evidence that the notices were undeliverable.

(c) Notwithstanding any outstanding liens against the vehicle, upon receipt of any fees charged under section 168A.29, the commissioner must issue a certificate of title that is free of liens to the auction company in possession of the vehicle.

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



Sec. 24. Minnesota Statutes 2024, section 168E.01, is amended by adding a subdivision to read:

Subd. 8a. **Fuel products.** "Fuel products" means liquefied natural gas or liquefied petroleum gas, as defined in section 296A.01, subdivisions 30 and 31.

**EFFECTIVE DATE.** This section is effective the day following final enactment for retail deliveries made after June 30, 2025.

Sec. 25. Minnesota Statutes 2024, section 168E.01, is amended by adding a subdivision to read:

Subd. 15a. **Road construction materials.** "Road construction materials" has the meaning given in section 169.869, subdivision 1.

**EFFECTIVE DATE.** This section is effective the day following final enactment for retail deliveries made after June 30, 2025.

Sec. 26. Minnesota Statutes 2024, section 168E.05, subdivision 1, is amended to read:

Subdivision 1. **Transactions.** The following retail deliveries are exempt from the fee imposed by this chapter:

- (1) a retail delivery to a purchaser who is exempt from tax under chapter 297A;
- (2) a retail delivery on a motor vehicle for which a permit issued by the commissioner of transportation or a road authority is required under chapter 169 or 221 and the retailer has maintained books and records through reasonable and verifiable standards that the retail delivery was on a qualifying vehicle;
- (3) a retail delivery resulting from a retail sale of food and food ingredients or prepared food;
- (4) a retail delivery resulting from a retail sale by a food and beverage service establishment, regardless of whether the retail delivery is made by a third party other than the food and beverage service establishment; ~~and~~
- (5) a retail delivery resulting from a retail sale of drugs and medical devices, accessories and supplies, or baby products;
- (6) a retail delivery resulting from a retail sale of fuel products purchased by and delivered to a political subdivision or a trade or business; and
- (7) a retail delivery resulting from a retail sale of road construction materials purchased by and delivered to a political subdivision or a trade or business.

**EFFECTIVE DATE.** This section is effective the day following final enactment for retail deliveries made after June 30, 2025.

Sec. 27. Minnesota Statutes 2024, section 169.011, subdivision 36, is amended to read:

Subd. 36. **Intersection.** ~~(a)~~ "Intersection" means the area embraced within the prolongation or connection of the lateral curb lines or, if none, then the lateral boundary lines of the roadways of two highways which join one another at, or approximately at, right angles or the area within which vehicles traveling upon different highways joining at any other angle may come in conflict.

~~(b) Where a highway includes two roadways 30 feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate intersection. In the event such intersecting highway also includes two roadways 30 feet or more apart, then every crossing of two roadways of such highways shall be regarded as a separate intersection.~~

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

Sec. 28. Minnesota Statutes 2024, section 169.06, subdivision 5, is amended to read:

Subd. 5. **Traffic-control signal.** (a) Whenever traffic is controlled by traffic-control signals exhibiting different colored lights, or colored lighted arrows, successively one at a time or in combination, only the colors Green, Red, and Yellow shall be used, except for special pedestrian signals carrying a word or legend. The traffic-control signal lights or colored lighted arrows indicate and apply to drivers of vehicles and pedestrians as follows:

(1) Green indication:

(i) Vehicular traffic facing a circular green signal may proceed straight through or turn right or left unless a sign prohibits either turn. But vehicular traffic, including vehicles turning right or left, shall yield the right-of-way to other vehicles and to pedestrians lawfully within the intersection or adjacent crosswalk at the time this signal is exhibited. Vehicular traffic turning left or making a U-turn to the left shall yield the right-of-way to other vehicles approaching from the opposite direction so closely as to constitute an immediate hazard.

(ii) Vehicular traffic facing a green arrow signal, shown alone or in combination with another indication, may cautiously enter the intersection only to make the movement indicated by the arrow, or other movement as permitted by other indications shown at the same time. Vehicular traffic shall yield the right-of-way to pedestrians lawfully within an adjacent crosswalk and to other traffic lawfully using the intersection.

(iii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing any green signal, except when the sole green signal is a turn arrow, may proceed across the roadway within any marked or unmarked crosswalk. Every driver of a vehicle shall yield the right-of-way to such pedestrian, except that the pedestrian shall yield the right-of-way to vehicles lawfully within the intersection at the time that the green signal indication is first shown.

(2) Steady yellow indication:

(i) Vehicular traffic facing a steady circular yellow or yellow arrow signal is thereby warned that the related green movement or flashing yellow movement is being terminated or that a red indication will be exhibited immediately thereafter when vehicular traffic must not enter the intersection, except for the continued movement allowed by any green arrow indication simultaneously exhibited.

(ii) Pedestrians facing a circular yellow signal, unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, are thereby advised that there is insufficient time to cross the roadway before a red indication is shown and no pedestrian shall then start to cross the roadway.

(3) Steady red indication:

(i) Vehicular traffic facing a circular red signal alone must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and shall remain standing until a green indication is shown, except as follows: (A) the driver of a vehicle stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make the right

turn, after stopping, unless an official sign has been erected prohibiting such movement, but shall yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection; or (B) the driver of a vehicle on a one-way street intersecting another one-way street on which traffic moves to the left shall stop in obedience to a red or stop signal and may then make a left turn into the one-way street, unless an official sign has been erected prohibiting the movement, but shall yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(ii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing a steady red signal alone shall not enter the roadway.

(iii) Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and must remain standing until a permissive signal indication permitting the movement indicated by the red arrow is displayed, except as follows: when an official sign has been erected permitting a turn on a red arrow signal, the vehicular traffic facing a red arrow signal indication is permitted to enter the intersection to turn right, or to turn left from a one-way street into a one-way street on which traffic moves to the left, after stopping, but must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(b) In the event an official traffic-control signal is erected and maintained at a place other than an intersection, the provisions of this section are applicable except those which can have no application. Any stop required must be made at a sign or marking on the pavement indicating where the stop must be made, but in the absence of any such sign or marking the stop must be made at the signal.

(c) When a traffic-control signal indication or indications placed to control a certain movement or lane are so identified by placing a sign near the indication or indications, no other traffic-control signal indication or indications within the intersection controls vehicular traffic for that movement or lane.

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

Sec. 29. Minnesota Statutes 2024, section 169.09, subdivision 8, is amended to read:

Subd. 8. **Officer to report accident to commissioner.** (a) A peace officer who investigates in the regular course of duty an accident that is required to be reported under this section must submit an electronic or written report of the accident to the commissioner of public safety within ten days after the date of the accident. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident. A report or notification under this subdivision must be in the format as prescribed in subdivision 9.

(b) Accidents on streets, highways, roadways, sidewalks, shoulders, shared use paths, or any other portion of a public right-of-way must be reported under the requirements of this section if the accident results in:

(1) a fatality;

(2) bodily injury ~~to a person who, because of the injury, immediately receives medical treatment away from or at the scene of the accident;~~

(3) one or more of the motor vehicles incurring disabling damage that requires a vehicle to be transported away from the scene of the accident by tow truck or other vehicle; or

(4) damage to fixtures, infrastructure, or any other property alongside or on a highway.

(c) An accident involving a school bus, as defined in section 169.011, subdivision 71, must be reported under the requirements of this section and section 169.4511.

(d) An accident involving a commercial motor vehicle, as defined in section 169.781, subdivision 1, paragraph (a), must be reported under the requirements of this section and section 169.783.

(e) Accidents occurring on public lands or trail systems that result in the circumstances specified in paragraph (b) must be reported under the requirements of this section.

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

Sec. 30. Minnesota Statutes 2024, section 169.14, subdivision 1a, is amended to read:

Subd. 1a. **License revocation for extreme speed.** The driver's license of a person who violates any speed limit established in this section, by driving in excess of 100 miles per hour or 35 miles per hour or more over the posted speed limit, is revoked for six months under section 171.17, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

**EFFECTIVE DATE.** This section is effective July 1, 2025, for violations committed on or after that date.

Sec. 31. Minnesota Statutes 2024, section 169.686, subdivision 1, is amended to read:

Subdivision 1. **Seat belt requirement.** (a) Except as provided in section 169.685, a properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, ~~shall~~ must be worn by the driver and passengers of a passenger vehicle, commercial motor vehicle, type III vehicle, and type III Head Start vehicle. Notwithstanding the equipment exemption in section 169.685, subdivision 1, this paragraph applies to the driver and passengers of an auticycle equipped with seat belts. This paragraph applies to the operator and passengers of a class 2 all-terrain vehicle, as defined in section 84.92, subdivision 10, when operated on or within the right-of-way of a public road when the all-terrain vehicle is factory-equipped with seat belts.

(b) A person who is 15 years of age or older and who violates paragraph (a) is subject to a fine of \$25. The driver of the vehicle in which a violation occurs is subject to a \$25 fine for each violation of paragraph (a) by the driver or by a passenger under the age of 15, but the court may not impose more than one surcharge under section 357.021, subdivision 6, on the driver. The Department of Public Safety ~~shall~~ must not record a violation of this subdivision on a person's driving record.

(c) The driver of a bus is not subject to the fine under paragraph (b) for a violation of paragraph (a) by a passenger under the age of 15. This paragraph does not apply to: (1) a school bus, including a type III vehicle; and (2) a Head Start bus, including a type III Head Start vehicle.

**EFFECTIVE DATE.** This section is effective July 1, 2025, for violations committed on or after that date.

Sec. 32. Minnesota Statutes 2024, section 169.865, subdivision 1a, is amended to read:

Subd. 1a. **Definition.** For purposes of this section, "qualifying agricultural products" means:

(1) agricultural crops, including but not limited to corn, soybeans, oats, grain, and by-products of agricultural crops;

(2) livestock, including but not limited to cattle, hogs, and poultry;

- (3) food crops, including but not limited to sugar beets, potatoes, carrots, and onions;
- (4) fluid milk;
- (5) seed and material used for or in livestock and poultry feed;
- (6) livestock manure; ~~and~~
- (7) raw or processed grass seed; and
- (8) before January 1, 2031, crude soybean oil.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 33. Minnesota Statutes 2024, section 169.865, subdivision 3, is amended to read:

Subd. 3. **Requirements; restrictions.** (a) A vehicle or combination of vehicles operating under this section:

- (1) is subject to axle weight limitations under section 169.824, subdivision 1;
  - (2) is subject to seasonal load restrictions under section 169.87;
  - (3) is subject to bridge load limits posted under section 169.84;
  - (4) may only be operated on paved streets and highways other than interstate highways;
  - (5) may not be operated with loads that exceed the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating complying with Code of Federal Regulations, title 49, sections 567.4 to 567.7;
  - (6) must be issued a permit from each road authority having jurisdiction over a road on which the vehicle is operated, if required;
  - (7) must comply with the requirements of section 169.851, subdivision 4; and
  - (8) must have brakes on all wheels.
- (b) The percentage allowances for exceeding gross weights if transporting unfinished forest products under section 168.013, subdivision 3, paragraph (b), or for the first haul of unprocessed or raw farm products or unfinished forest products under section 168.013, subdivision 3, paragraph (d), clause (3), do not apply to a vehicle or combination of vehicles operated under this section.
- (c) Notwithstanding paragraph (a), clause (4), a vehicle or combination of vehicles hauling fluid milk under a permit issued by the commissioner of transportation may also operate on interstate highways as provided under United States Code, title 23, section 127.
- (d) A vehicle or combination of vehicles hauling crude soybean oil under this section may only be operated in this state to perform transportation between soybean processing facilities located in Mankato and Fairmont on:
- (1) a route on a county highway or county state-aid highway as approved by the county;

(2) marked Trunk Highways 15, 30, and 60; and

(3) marked U.S. Highway 169.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 34. Minnesota Statutes 2024, section 171.01, is amended by adding a subdivision to read:

Subd. 45e. **Road test.** "Road test" means the actual physical demonstration of skills and ability to exercise ordinary and reasonable control in the operation of a motor vehicle. As appropriate, a road test includes demonstration of ability to perform an inspection of a vehicle and equipment.

Sec. 35. Minnesota Statutes 2024, section 171.05, subdivision 1, is amended to read:

Subdivision 1. **Person 18 or more years of age.** (a) Any person who is 18 or more years of age and who, except for a lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain a class D driver's license under this chapter, may apply for an instruction permit, and the department ~~shall~~ **must** issue the permit. The instruction permit entitles the applicant to drive a motor vehicle for which a class D license is valid upon the highways for a period of two years if the permit holder:

(1) has the permit in immediate possession; and

(2) is driving the vehicle while accompanied by an adult licensed driver who is actually occupying a seat beside the driver.

(b) Any license of a lower class may be used as an instruction permit to operate a vehicle requiring a higher class license for a period of ~~six months~~ one year after passage of the written test or tests required for the higher class and when the licensee is accompanied by and receiving instruction from a holder of the appropriate higher class license. A copy of the record of examination taken for the higher class license must be carried by the driver while using the lower class license as an instruction permit.

Sec. 36. Minnesota Statutes 2024, section 171.06, is amended by adding a subdivision to read:

Subd. 7a. **Online renewal.** (a) For purposes of this subdivision, "applicant" means a person who renews a REAL ID-compliant or noncompliant driver's license or identification card or applies for a duplicate card through the department's online renewal system established in this subdivision.

(b) The commissioner must establish a process for an applicant to renew or request a duplicate of a REAL ID-compliant or noncompliant driver's license or identification card, whether by website or some other means, as provided in this subdivision. Notwithstanding subdivision 3, an applicant for a renewal or duplicate driver's license or identification card submitted through the department's online renewal system may not designate a temporary mailing address for the delivery of the driver's license or identification card.

(c) The commissioner may renew or request a duplicate of a REAL ID-compliant or noncompliant driver's license or identification card for an individual who does not renew in person if:

(1) there is no change in identity, including any change to the applicant's name, address, signature, and driver's license or identification card number;

(2) the renewal application is not for a different type or class of driver's license or identification card;

(3) the renewal or duplicate application is not for an enhanced driver's license or identification card;

(4) the commissioner has a previous photograph of the applicant on file that was taken within the last five years or in conjunction with the most recent issuance of the applicant's current credential;

(5) the applicant is at least 18 years of age at the time of the application;

(6) the applicant's license or identification card is valid or has been expired for less than one year;

(7) the applicant has not obtained a driving credential or identification card from another state or jurisdiction since the most recent issuance of the applicant's Minnesota credential;

(8) no knowledge or road tests are required to maintain the credential;

(9) the applicant submits a vision examination certificate as described in subdivision 7; and

(10) the application is in a form prescribed by the commissioner.

(d) The commissioner must use the photograph on file as specified in paragraph (c), clause (4), for the applicant's REAL ID-compliant or noncompliant driver's license or identification card.

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

Sec. 37. Minnesota Statutes 2024, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

(9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

(10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

(11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States; or

(13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x);

~~(14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;~~

~~(15) a certified copy of a court order that specifies the applicant's name change; or~~

~~(16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.~~

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 38. Minnesota Statutes 2024, section 171.0605, is amended by adding a subdivision to read:

**Subd. 7. Evidence of name change.** The following is satisfactory evidence of an applicant's name change:

(1) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(2) a certified copy of a court order that specifies the applicant's name change; or

(3) a certified copy of a court-issued divorce decree or dissolution of marriage that specifies the applicant's name change.

Sec. 39. Minnesota Statutes 2024, section 171.061, is amended by adding a subdivision to read:

**Subd. 4a. Reimbursements.** (a) The commissioner must issue payment to a driver's license agent as follows:

(1) \$2 for paying an account balance;



(2) \$4 for the following transactions:

(i) correcting credentials for veterans with a total service-connected disability, homeless fee, and those with reduced-fee credentials; and

(ii) payment of reinstatement fees for veterans with a total service-connected disability and homeless youth;

(3) \$8 for the following transactions:

(i) changing a customer's personal identification number; and

(ii) mail-in application photograph renewal; and

(4) an amount that equals the fee established under subdivision 4, paragraph (a), clause (2), for the following transactions:

(i) addition of court order review;

(ii) paper temporary receipt of application permit for veterans with a total service-connected disability; and

(iii) issuing a credential for veterans with a total service-connected disability, homeless youth, and those with reduced-fee credentials.

(b) The following transactions for which no filing fee under subdivision 4 is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the driver's license agent; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(c) If the amount appropriated for payments under this subdivision is insufficient, the commissioner must prorate the payments.

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

Sec. 40. Minnesota Statutes 2024, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Examination fees.** (a) A fee of \$10 must be paid by an individual to take a third and any subsequent knowledge test administered by the department if the individual has failed two previous consecutive knowledge tests on the subject.

(b) A fee of \$20 must be paid by an individual to take a third and any subsequent skills or road test administered by the department if the individual has previously failed two consecutive skill or road tests in a specified class of motor vehicle.

(c) A fee of ~~\$20~~ \$40 must be paid by an individual who fails to appear for a scheduled ~~skills or~~ road test or who cancels a ~~skills or~~ road test ~~within less than~~ 24 hours ~~of before~~ the appointment time. A fee of \$20 must be paid by an individual who cancels a scheduled road test between 24 hours and 72 hours before the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver and vehicle services operating account under section 299A.705.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to cancellations and failures to appear on or after that date.

Sec. 41. Minnesota Statutes 2024, section 171.13, subdivision 8, is amended to read:

Subd. 8. **Test scheduling.** The commissioner must not schedule or reserve recurring time with a public, private, or commercial driver education program for purposes of administering ~~skills or~~ road tests to a class D ~~or commercial~~ driver's license applicant.

Sec. 42. Minnesota Statutes 2024, section 171.17, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The department ~~shall~~ must immediately revoke the license of a driver upon receiving a record of the driver's conviction of:

- (1) manslaughter resulting from the operation of a motor vehicle ~~or under section 609.20 or 609.205;~~
- (2) criminal vehicular homicide or injury under section 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21;
- ~~(2)~~ (3) a violation of section 169A.20 or 609.487;
- ~~(3)~~ (4) a felony in the commission of which a motor vehicle was used;
- ~~(4)~~ (5) failure to stop and disclose identity and render aid, as required under section 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of another;
- ~~(5)~~ (6) perjury or the making of a false affidavit or statement to the department under any law relating to the application, ownership, or operation of a motor vehicle, including on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), subitem (C), to issue an instruction permit to a homeschool student;
- ~~(6)~~ (7) except as this section otherwise provides, three charges of violating within a period of 12 months any of the provisions of chapter 169 or of the rules or municipal ordinances enacted in conformance with chapter 169, for which the accused may be punished upon conviction by imprisonment;
- ~~(7)~~ (8) two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);
- ~~(8)~~ (9) the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);
- ~~(9)~~ (10) an offense in another state that, if committed in this state, would be grounds for revoking the driver's license; or
- ~~(10)~~ (11) a violation of an applicable speed limit by a person driving in excess of 100 miles per hour. The person's license must be revoked for six months for a violation of this clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

(b) The department ~~shall~~ must immediately revoke the school bus endorsement of a driver upon receiving a record of the driver's conviction of the misdemeanor offense described in section 169.443, subdivision 7.

Sec. 43. Minnesota Statutes 2024, section 174.02, is amended by adding a subdivision to read:

Subd. 12. **Emissions reduction goals; financial assistance.** The commissioner may provide grants or other financial assistance at the commissioner's discretion pursuant to grant requirements under state law to meet the state's goals under subdivision 1a, clause (3), or section 216H.02.

Sec. 44. Minnesota Statutes 2024, section 174.03, subdivision 12, is amended to read:

Subd. 12. **Trunk highway performance, resiliency, and sustainability.** (a) The commissioner must implement performance measures and targets for the trunk highway system in order to construct resilient infrastructure, enhance the project selection for all transportation modes, improve economic security, and achieve the state transportation goals established in section 174.01.

(b) At a minimum, the transportation planning process must include:

(1) an inventory of transportation assets, including but not limited to bridge, pavement, geotechnical, pedestrian, bicycle, and transit asset categories;

(2) establishment of statewide performance measures and targets, reporting of performance measure results, and where possible, performance forecasts that are:

(i) statewide and, where data allow, district-specific;

(ii) for assets in each asset category specified in clause (1); and

(iii) identified in collaboration with the public;

(3) gap identification and an explanation of the difference between performance targets and current status; and

(4) life cycle assessment and corridor risk assessment as part of asset management programs in each district of the department.

(c) At a minimum, the ten-year capital highway investment plan in each district of the department must:

(1) be based on expected funding during the plan period and, to the extent feasible, maximize long-term benefits;

(2) estimate the funding necessary to make optimal life cycle investments;

(3) identify investments within each of the asset categories specified in paragraph (b), clause (1), that are funded through the trunk highway capital program;

(4) identify specific trunk highway segments programmed to be removed from the trunk highway system; and

(5) deliver annual progress toward achieving the state transportation goals established in section 174.01.

~~(d) Annually by December 15, the commissioner must report trunk highway performance measures and targets and identify gaps, including information detailing the department's progress on achieving the state transportation goals, to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. The report must be signed by the commissioner.~~

Sec. 45. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 13. **Asset sustainability ratio targets.** (a) The commissioner must calculate and report the asset sustainability ratio (ASR) for pavements for each fiscal year. The ASR must be based on criteria developed by the commissioner and found in the Pavement Design Manual. The ASR is calculated as:

(1) total trunk highway system lane-mile years added each year; divided by

(2) total trunk highway mileage in that year.

(b) The department must meet the following pavement system targets for ASR:

(1) not less than 0.65 by 2027;

(2) not less than 0.75 by 2029; and

(3) not less than 0.85 by 2031 and thereafter.

(c) The commissioner must determine ASR results from projects constructed by the department for each year and include the results in the trunk highway performance report under section 174.56.

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

Sec. 46. **[174.034] TRANSPORTATION PROJECT ACTIVITY PORTAL.**

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

(b) "Analysis activity" means an undertaking to analyze or study a highway or a corridor prior to project identification or as part of project development. Analysis activity includes but is not limited to: (1) planning, assessment, project scoping, project development, land acquisition, environmental review, and project-related public engagement; and (2) a safety study or audit, a corridor analysis or study, a planning study, a feasibility analysis, a purpose and need assessment, or similar assessment or analysis.

(c) "Major highway project" means a highway project that has a total cost for all segments that the commissioner most recently estimates to be at least (1) \$15,000,000 in the metropolitan highway construction district, or (2) \$5,000,000 in any nonmetropolitan highway construction district.

Subd. 2. **Portal establishment.** The commissioner must maintain a centralized portal on the department's website that provides comprehensive information on highway projects, project development, studies and assessments, and related activity.

Subd. 3. **Portal design.** The portal must:

(1) provide a geographic information system interface that allows for identification of projects and analysis activity through interactive mapping;

(2) identify:

(i) each trunk highway project that is specified in the state transportation improvement program, excluding general or maintenance set-asides; the statewide multimodal transportation plan; the Minnesota state highway investment plan; or a ten-year capital highway investment plan in a district;

- (ii) each trunk highway project that reached substantial completion in the current or previous two calendar years;
- (iii) each trunk highway project that is planned for the ensuing ten years; and
- (iv) each trunk highway segment or corridor for which the commissioner: (A) is undertaking analysis activity; or (B) has completed an analysis activity under subitem (A) within the previous five years;
- (3) identify department districts, jurisdictions of local units of government, state and local road systems, major geographic features, and relevant local landmarks;
- (4) provide the ability to search, filter, and apply mapping layer visibility based on location, dates, status, and common transportation categories;
- (5) present information in a manner that is readily understood by the general public;
- (6) allow for future extension to incorporate local road projects; and
- (7) provide access to the information required under subdivision 4 and the dashboard required under subdivision 5.

Subd. 4. **Information contents.** (a) The commissioner must provide information on the department's website for each project or analysis activity identified under subdivision 3, clause (2). At a minimum, the information must include:

- (1) a plain language description of the nature and scope of the project or analysis activity;
- (2) as appropriate, the state project number and bridge number;
- (3) as appropriate, an explanation of the project purpose and need;
- (4) at least one map that identifies the project limits, corridor, or general location;
- (5) a timeline that provides any key milestones;
- (6) the primary documentation for the project or analysis activity, including but not limited to project layout and design plans, data and results from relevant modeling, and any studies or reports;
- (7) a fiscal overview that includes project or analysis activity cost and funding sources;
- (8) notice of any scheduled public meetings, and if testimony is being taken, the ability for an individual to arrange to testify;
- (9) details on each previous public meeting, including but not limited to meeting minutes, presentations, associated documents, and recordings;
- (10) identification of a project or analysis activity contact; and
- (11) for each major highway project, project details that at a minimum include:
  - (i) project purposes relative to objectives in the statewide multimodal transportation plan and investment priority areas established in the Minnesota state highway investment plan;

(ii) a history of the project, including but not limited to previous official actions by the department or the appropriate area transportation partnership, or both; the date on which the project was first included in the state transportation improvement plan; the cost of the project at that time; the planning estimate for the project; the engineer's estimate; the award price; the final cost as of six months after substantial completion, including any supplemental agreements and cost overruns or cost savings; the dates of environmental approval; the dates of municipal approval; the date of final geometric layout; and the date of establishment of any construction limits;

(iii) the project's priority listing or rank within its construction district, if any, as well as the reasons for that listing or rank, the criteria used in prioritization or rank, any changes in that prioritization or rank since the project was first included in a department work plan, and the reasons for those changes; and

(iv) past and potential future reasons for delay in letting or completing the project, details of all project cost changes that exceed \$500,000, and specific modifications to the overall program that are made as a result of delays and project cost changes.

(b) The commissioner must maintain and revise the information required under this subdivision in a timely manner, and must publish the public meeting information required under paragraph (a), clause (8), within two weeks of the meeting.

Subd. 5. **Fiscal transparency dashboard.** The commissioner must provide a fiscal transparency dashboard on the department's website that summarizes fiscal information for the current fiscal year and each year in the state transportation improvement program. At a minimum, the dashboard must include:

(1) a summary of total amounts by funding source and for projects;

(2) identification of total expenditures associated with each objective in the statewide multimodal transportation plan under section 174.03, subdivision 1a, and resulting impacts on associated performance targets; and

(3) an overview of expenditures by investment priority area established in the Minnesota state highway investment plan under section 174.03, subdivision 1c.

Subd. 6. **Implementation.** The commissioner must implement the requirements of this section by the earlier of January 1, 2028, or the completion of necessary information technology changes.

**Sec. 47. [174.065] CONSOLIDATED LOCAL TRANSPORTATION FINANCIALS REPORT.**

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

(b) "Funding source" means the relevant tax or revenue source for which financial reporting information is required.

(c) "Reporting unit" means a county, regional railroad authority, or other political subdivision that is specifically required to submit financial information under this section.

Subd. 2. **Consolidated report.** (a) By March 1 annually, the commissioner must submit a report on consolidated local transportation financials to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(b) At a minimum, the report must include:

(1) the information specified under subdivision 3 for each funding source as required under sections 174.49, subdivision 7; 297A.993, subdivision 2a; and 398A.04, subdivision 12;

(2) subtotals for each reporting unit that is required to submit financial information under this section; and

(3) totals for all reporting units.

(c) The commissioner may establish submission requirements for the financial information, which may include but is not limited to a submission deadline and a format for the fiscal details.

Subd. 3. **Required financial information.** (a) At a minimum, each reporting unit must submit financial information on the funding source that includes:

(1) actual allocations or collections to the reporting unit for each of the previous five calendar years;

(2) balance actuals for each of the previous five calendar years;

(3) estimates of the amount that is expected to be allocated to or collected by the reporting unit in the current year and for the next ten calendar years; and

(4) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:

(i) the amount expended or proposed to be expended for each of the following, as applicable:

(A) planning, project development, construction, operation, or maintenance of guideways, as defined in section 473.4485, subdivision 1, paragraph (d);

(B) nonguideway transit uses;

(C) active transportation uses;

(D) highway uses; and

(E) uses not otherwise specified in subitems (A) to (D);

(ii) for each category under item (i), subitems (A) to (D), an accompanying list of completed, current, planned, and anticipated projects; and

(iii) an estimated balance of unspent or undesignated amounts from the funding source.

(b) The listing under paragraph (a), clause (4), item (ii), must include a brief identification or description of each project or program.

Subd. 4. **Aid withholding.** The commissioner must annually withhold payment of 25 percent of the amount apportioned under section 162.07 for a county that (1) is a reporting unit, and (2) fails to meet financial information submission requirements established by the commissioner under subdivision 2, paragraph (c). The commissioner may release withheld funds no sooner than 30 days following acceptance of a submission.

Sec. 48. Minnesota Statutes 2024, section 174.07, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** This section does not apply to:

(1) a law that establishes a requirement with general applicability for an agency or agencies to submit a report, including but not limited to reports and information under sections 14.05, subdivision 5, and 14.116;

(2) a law that specifies a reporting expiration date or a date for the submission of a final report;

(3) information required by law to be included in a budget submission to the legislature under section 16A.11;

(4) the plans required under section 174.03, subdivisions 1a, 1b, and 1c;

(5) the forecast information requirements under section 174.03, subdivision 9; and

(6) the reports required under sections 161.088, subdivision 7; 161.089; 161.3203, subdivision 4; 165.03, subdivision 8; ~~174.03, subdivision 12~~ 174.065; 174.185, subdivision 3; 174.247; 174.56, subdivisions 1 and 2; and 174.75, subdivision 3.

Sec. 49. **174.205 RESILIENT PAVEMENT PROGRAM.**

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

(b) "Baseline project" means a trunk highway project without revision to pavement design life.

(c) "Commissioner" means the commissioner of transportation.

(d) "Modified project" means a project that is revised or under a revision analysis to contain a modified pavement design life using funds provided under the program.

(e) "Pavement cost" means the estimated total cost of pavement items, including pavement foundation, for the project, in conformance with standard specifications for construction established by the commissioner.

(f) "Program" means the resilient pavement program under this section.

**Subd. 2. Program established.** Subject to available funds, the commissioner must establish a resilient pavement program to provide supplemental funding for revisions to pavement design of trunk highway projects on the basis of long-term cost effectiveness.

**Subd. 3. Administration.** (a) In implementing the program, the commissioner must: (1) establish procedures for identification, analysis, and selection of projects that receive funding and are accordingly revised in the pavement design; and (2) specify a modified pavement design life, whether through pavement material, pavement foundation, or a combination, that is at least 50 years for modified projects.

(b) The commissioner must determine pavement design life using the current standard models used by the department for pavement design.

**Subd. 4. Project eligibility; cost effectiveness.** (a) To be eligible for funds under the program, a project must:

(1) be for trunk highway construction, reconstruction, maintenance, or improvement;



(2) be included in a prior or the current state transportation improvement program or capital highway investment plan with a proposed design life of less than or equal to 20 years;

(3) be a modified project with a pavement design life as specified under subdivision 3, paragraph (a), clause (2); and

(4) have a cost-effectiveness ratio, as calculated under paragraph (b), that equals or is greater than two.

(b) The cost-effectiveness ratio is calculated as:

(1) the pavement cost of the baseline project, divided by the pavement design life of the baseline project; divided by

(2) the pavement cost of the modified project, divided by the modified pavement design life.

Subd. 5. **Use of funds.** (a) For a project selected under the program, the commissioner may expend program funds for up to 110 percent of the difference in anticipated pavement costs between the modified project and the baseline project.

(b) The commissioner may expend up to one-third of the funds on projects located wholly or substantially inside the Department of Transportation metropolitan district, as calculated using total funds under the program over (1) the current fiscal year, and (2) the latest prior two years in which funds are allocated.

(c) The commissioner must not expend funds under the program for program delivery.

Subd. 6. **Public information.** The commissioner must publish information regarding the program on the department's website. The information must include:

(1) a description of program implementation;

(2) identification of projects analyzed and selected under the program; and

(3) for each project selected, an overview that includes a brief project description, the pavement design changes, and information on expenditures from program funds.

Sec. 50. Minnesota Statutes 2024, section 174.38, subdivision 4, is amended to read:

Subd. 4. **Program administration.** (a) The commissioner must establish active transportation program requirements, including:

(1) assistance eligibility, subject to the requirements under subdivision 5;

(2) a solicitation and application process that minimizes the burden on applicants; and

(3) procedures to award and pay financial assistance.

(b) The commissioner must ~~annually~~ conduct a solicitation ~~solicitations~~ for active transportation projects under the program.

(c) The commissioner must make reasonable efforts to publicize each application solicitation among all eligible recipients. The commissioner must assist applicants to create and submit applications, with an emphasis on providing assistance in communities that are historically and currently underrepresented in local or regional planning, including communities of color, low-income households, people with disabilities, and people with limited English proficiency.

(d) The commissioner may provide grants or other financial assistance for a project.

(e) The commissioner is prohibited from expending more than one percent of available funds in a fiscal year under this section on program administration.

Sec. 51. Minnesota Statutes 2024, section 174.49, is amended by adding a subdivision to read:

**Subd. 7. Metropolitan counties; financial information.** (a) A metropolitan county must annually submit financial information to the commissioner on all sources of funds that are subject to the requirements under subdivision 6. The financial information must be submitted as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

(b) In addition to the requirements under section 174.065, subdivision 3, the submitted financial information must include the amount expended or proposed to be expended in each of the allowable uses under subdivision 6 for:

(1) each of the previous five calendar years;

(2) the current calendar year; and

(3) the next ten calendar years.

Sec. 52. Minnesota Statutes 2024, section 174.56, is amended to read:

**174.56 REPORT ON MAJOR HIGHWAY PROJECTS, TRUNK HIGHWAY FUND PERFORMANCE, EXPENDITURES, AND EFFICIENCIES.**

Subdivision 1. **Report required.** ~~(a)~~ The commissioner of transportation ~~shall~~ must submit a report by December 15 of each year on ~~(1) the status of major highway projects completed during the previous two years or under construction or planned during the year of the report and for the ensuing 15 years, (2) trunk highway fund expenditures, and (3) efficiencies achieved during the previous two fiscal years~~ trunk highway system performance and department activity.

~~(b) For purposes of this section, a "major highway project" is a highway project that has a total cost for all segments that the commissioner estimates at the time of the report to be at least (1) \$15,000,000 in the metropolitan highway construction district, or (2) \$5,000,000 in any nonmetropolitan highway construction district.~~

**Subd. 2. ~~Report contents; major highway projects.~~** For each major highway project the report must include:

~~(1) a description of the project sufficient to specify its scope and location;~~

~~(2) a history of the project, including, but not limited to, previous official actions by the department or the appropriate area transportation partnership, or both, the date on which the project was first included in the state transportation improvement plan, the cost of the project at that time, the planning estimate for the project, the engineer's estimate, the award price, the final cost as of six months after substantial completion, including any supplemental agreements and cost overruns or cost savings, the dates of environmental approval, the dates of municipal approval, the date of final geometric layout, and the date of establishment of any construction limits;~~

~~(3) the project's priority listing or rank within its construction district, if any, as well as the reasons for that listing or rank, the criteria used in prioritization or rank, any changes in that prioritization or rank since the project was first included in a department work plan, and the reasons for those changes;~~

~~(4) past and potential future reasons for delay in letting or completing the project, details of all project cost changes that exceed \$500,000, and specific modifications to the overall program that are made as a result of delays and project cost changes;~~

~~(5) two representative trunk highway construction projects, one each from the department's metropolitan district and from greater Minnesota, and for each project report the cost of environmental mitigation and compliance; and~~

~~(6) the annual budget for products and services for each Department of Transportation district and office, with comparison to actual spending and including measures of productivity for the previous fiscal year.~~

Subd. 2a. **Report contents; ~~trunk highway fund expenditures.~~** The commissioner ~~shall~~ must include in the report:

(1) a review of trunk highway performance measures and targets under section 174.03, subdivisions 1c and 12, including identification of gaps;

(2) details on the department's progress on achieving the state transportation goals under section 174.01;

(3) the annual budget for products and services for each Department of Transportation district and office, including a comparison to actual spending and measures of productivity for the previous fiscal year;

(4) information on the total expenditures from the trunk highway fund during the previous fiscal year, which must include:

(i) a breakout for each Department of Transportation district, in the following categories: road construction; planning; design and engineering; labor; compliance with environmental regulations; administration; acquisition of right-of-way, including costs for attorney fees and other compensation for property owners; litigation costs, including payment of claims, settlements, and judgments; maintenance; and road operations- ; and

(ii) any other categories or information identified by the commissioner to provide for expenditure overlap across the categories under item (i) and comparison to other fiscal reporting;

(5) asset sustainability ratio results under section 174.03, subdivision 13; and

(6) efficiencies achieved during the previous two fiscal years.

Subd. 3. **Department resources.** The commissioner ~~shall~~ must prepare and submit the report with existing department staff and resources.

~~Subd. 4. **Availability of information.** The commissioner must maintain an Internet website that displays information for each major highway project. At a minimum, the information must include the report contents identified in subdivision 2.~~

Sec. 53. Minnesota Statutes 2024, section 174.634, subdivision 2, is amended to read:

Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account is established in the special revenue fund. The account consists of funds as provided in this subdivision and any other money donated, allotted, transferred, collected, or otherwise provided to the account.

(b) By July 15 annually beginning in calendar year ~~2027~~ 2029, the commissioner of revenue must transfer an amount from the general fund to the passenger rail account that equals 50 percent of the portion of the state general tax under section 275.025 levied on railroad operating property, as defined under section 273.13, subdivision 24, in the prior calendar year.

(c) Money in the account is annually appropriated to the commissioner of transportation for the operating and capital maintenance costs of intercity passenger rail, which may include but are not limited to planning, designing, developing, constructing, equipping, administering, operating, promoting, maintaining, and improving passenger rail service within the state, after accounting for operating revenue, federal funds, and other sources.

(d) By November 1 each year beginning in calendar year 2029, the commissioner must report on the passenger rail account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must, at a minimum, include:

- (1) the actual revenue and expenditures in each of the previous two fiscal years;
- (2) the budgeted and forecasted revenue and expenditures in the current fiscal year and each fiscal year within the state forecast period;
- (3) the plan for collection of fees and revenue, as defined and authorized under subdivision 3, in the current fiscal year and each fiscal year within the state forecast period; and
- (4) the uses of expenditures or planned expenditures in each fiscal year included under clauses (1) and (2).

Sec. 54. Minnesota Statutes 2024, section 289A.51, subdivision 3, is amended to read:

Subd. 3. **Amount of rebate.** (a) The amount of a rebate under this section equals the lesser of:

(1) ~~the applicable percentage, multiplied by the amount~~ 75 percent of eligible expenses paid by an eligible individual; or

(2) ~~\$1,500~~ \$750.

~~(b) The applicable percentage equals 75 percent, but is reduced by one percentage point until the percentage equals 50 percent, for each \$4,000 of the eligible individual's adjusted gross income in excess of:~~

~~(1) \$50,000 for a married taxpayer filing a joint return; and~~

~~(2) \$25,000 for all other filers.~~

(b) Eligibility for a rebate under this section is limited to eligible individuals with adjusted gross incomes that were not more than:

(1) \$78,000 in the case of a married eligible individual who filed a joint return; or

(2) \$41,000 for all other individuals.

(c) For the purposes of determining the ~~applicable percentage~~ income limit under paragraph (b) ~~and subdivision 4, paragraph (a)~~, the commissioner must use the eligible individual's adjusted gross income for the taxable year ending in the calendar year prior to the year in which the individual applied for a rebate certificate.

**EFFECTIVE DATE.** This section is effective for rebates after December 31, 2024.

Sec. 55. Minnesota Statutes 2024, section 289A.51, subdivision 4, is amended to read:

Subd. 4. **Commissioner to issue rebate certificates.** (a) To qualify for a rebate under this section, an eligible individual must apply to the commissioner for a rebate certificate in the manner specified by the commissioner prior to purchasing an electric-assisted bicycle. As part of the application, the eligible individual must include proof of the individual's adjusted gross income for the taxable year specified in subdivision 3, paragraph (c). The commissioner must issue a rebate certificate to an eligible individual stating the issuance date, the applicable percentage, and the maximum rebate for which the taxpayer is eligible. For a married taxpayer filing a joint return, each spouse may apply to the commissioner separately, and the commissioner must issue each spouse a separate rebate certificate.

(b) The commissioner of revenue may determine the date on which to open applications for a rebate certificate, and applications must not be submitted before the date determined by the commissioner. Beginning July 1, 2024, and July 1 of each subsequent calendar year for which there is an allocation of rebate certificates, the commissioner must allocate rebate certificates ~~on a first come, first served basis. The commissioner must reserve 40 percent of the certificates for a married taxpayer filing a joint return with an adjusted gross income of less than \$78,000 or any other filer with an adjusted gross income of less than \$41,000. Any portion of the reserved amount under this paragraph that is not allocated by September 30 is available for allocation to other rebate certificate applications beginning on October 1.~~ to eligible applicants. If the number of eligible applicants exceeds the available allocation of rebate certificates, the commissioner must allocate certificates through a random lottery.

(c) If a random lottery is used to allocate certificates as provided in paragraph (b), the commissioner must, by August 1, 2025, determine a suitable randomized method to allocate the certificates and must:

(1) detail the department's anticipated timeline for the lottery, including when applications for the lottery by an eligible individual must be made and when the commissioner anticipates distributing the certificates;

(2) establish a method for an eligible individual to apply for placement into the lottery; and

(3) provide the amount of certificates available to be distributed by the department to the public.

(d) The commissioner must not issue rebate certificates totaling more than \$2,000,000 in each of calendar years 2024 and 2025, except any amount authorized but not allocated in any calendar year does not cancel and is added to the allocation for the next calendar year. When calculating the amount of remaining allocations, the commissioner must assume that each allocated but unclaimed certificate reduces the available allocations by ~~\$1,500~~ \$750.

~~(e)~~ (e) A rebate certificate that is not assigned to a retailer expires two months after the date the certificate was issued and may not be assigned to a retailer after expiration. The amount of any expired rebate certificates is added to the available allocation under paragraph ~~(e)~~ (d).

**EFFECTIVE DATE.** This section is effective for rebates after December 31, 2024.

Sec. 56. Minnesota Statutes 2024, section 297A.993, subdivision 2a, is amended to read:

Subd. 2a. **Uses reporting.** ~~By February 15 of each even-numbered year, A metropolitan county, as defined in section 473.121, subdivision 4, that imposes the taxes under this section must~~ annually submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance financial information to the commissioner of transportation as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

~~At a minimum, the report must include:~~

- ~~(1) actual transportation sales tax collections by the county over the previous five calendar years;~~
- ~~(2) an estimation of the total sales tax revenue that is estimated to be collected by the county in the current year and for the next ten calendar years; and~~
- ~~(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:~~
  - ~~(i) the amount of sales tax revenue expended or proposed to be expended for each of the following:~~
    - ~~(A) planning, construction, operation, or maintenance of guideways, as defined in section 473.4485, subdivision 1, paragraph (d);~~
    - ~~(B) nonguideway transit and active transportation uses;~~
    - ~~(C) highway uses; and~~
    - ~~(D) uses not otherwise specified in subitems (A) to (C);~~
  - ~~(ii) completed, current, planned, and eligible projects for each category under item (i); and~~
  - ~~(iii) an estimated balance of unspent or undesignated county sales tax revenue.~~

Sec. 57. Minnesota Statutes 2024, section 299A.01, is amended by adding a subdivision to read:

Subd. 9. **Grant contracts and programs; administrative costs.** (a) Notwithstanding any other law to the contrary, unless money is otherwise appropriated or a percentage is specified in law for administrative costs, the department may retain the following percentages of a grant appropriation for staff and related operating costs for grant administration:

(1) five percent for grants enacted by the legislature, single or sole source grants, and formula grants; and

(2) ten percent for competitively awarded grants.

(b) This subdivision applies to all new and existing grant programs administered by the department.

(c) This subdivision does not apply to grants funded with an appropriation of proceeds from the sale of state general obligation bonds.

Sec. 58. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 22a. **Coordinated unmanned aircraft event.** "Coordinated unmanned aircraft event" means a one-day event involving a group of small unmanned aircraft systems that fly together as a unified and coordinated entity to accomplish a shared entertainment objective, which may include but is not limited to choreographed flight patterns, synchronized lighting, and music for visual displays.

Sec. 59. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 23a. **Electronic attestation.** "Electronic attestation" means a statement of fact or confirmation, submitted by the owner in digital form, regarding the ownership and status of an aircraft, including a small unmanned aircraft system, and its compliance with applicable regulations.

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

Sec. 60. Minnesota Statutes 2024, section 360.55, subdivision 4, is amended to read:

Subd. 4. **Collector's aircraft.** (a) For purposes of this subdivision:

(1) "antique aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or before December 31, 1945, with the exception of certain pre-World War II aircraft models that had only a small postwar production, such as Beechcraft Staggerwing, Fairchild 24, and Monocoupe; and

(2) "classic aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or after January 1, 1946, and has a first year of life that precedes the date of registration by at least 50 years.

(b) If an antique or classic aircraft is owned and operated solely as a collector's item, its owner ~~may~~ must list it for taxation and registration ~~as follows and execute an electronic attestation or sworn affidavit stating: A sworn affidavit must be executed stating~~

(1) the name and address of the owner;

(2) the name and address of the ~~person from whom purchased,~~ seller;

(3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number; and

(4) that the aircraft is owned and operated solely as a collector's item and not for general transportation or commercial operations purposes.

The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with a fee of \$25.

(c) Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate to the applicant. The registration certificate is valid without renewal as long as the owner operates the aircraft solely as a collector's item.

(d) ~~Should~~ If an antique or classic aircraft ~~be~~ is operated other than as a collector's item, the registration certificate becomes void and the owner ~~shall~~ must list the aircraft for taxation and registration ~~in accordance with the other provisions of under~~ sections 360.511 to 360.67.

(e) Upon the sale of an antique or classic aircraft, the new owner must list the aircraft for taxation and registration in accordance with this subdivision, including the payment of a \$5 fee to transfer the registration to the new owner, ~~or the other provisions of under~~ sections 360.511 to 360.67, whichever is applicable.

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

Sec. 61. Minnesota Statutes 2024, section 360.55, subdivision 4a, is amended to read:

Subd. 4a. **Recreational aircraft; classic license.** (a) An aircraft that has a base price for tax purposes under section 360.531 of \$10,000 or less, and ~~that~~ is owned and operated solely for recreational purposes, may be listed for taxation and registration by executing ~~a~~ an electronic attestation or sworn affidavit stating:

- (1) the name and address of the owner;
- (2) the name and address of the ~~person from whom purchased,~~ seller;
- (3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number; and
- (4) that the aircraft is owned and operated solely as a recreational aircraft and not for commercial operational purposes.

The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with an annual \$25 fee.

(b) ~~On being satisfied~~ Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate to the applicant.

(c) ~~Should~~ If the aircraft ~~be is~~ operated other than as a recreational aircraft, the owner ~~shall~~ must list the aircraft for taxation and registration and pay the appropriate registration fee under sections 360.511 to 360.67.

(d) If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and registration under this subdivision, including the payment of the annual \$25 fee, or under sections 360.511 to 360.67, whichever is applicable.

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

Sec. 62. Minnesota Statutes 2024, section 360.55, subdivision 8, is amended to read:

Subd. 8. **Agricultural aircraft.** Aircraft registered with the Federal Aviation Administration as restricted category aircraft used for agricultural purposes must be listed for taxation and registration ~~upon filing by the owner a sworn affidavit with.~~ The owner must execute and submit an annual electronic attestation or sworn affidavit to the commissioner. The electronic attestation or sworn affidavit must state:

- (1) the name and address of the owner;
- (2) the name and address of the ~~person from whom purchased~~ seller;
- (3) the aircraft's make, year, model number, federal registration number, and manufacturer's identification number; and
- (4) that the aircraft is owned and operated solely for agricultural operations and purposes.

The owner ~~shall file the~~ must submit an electronic attestation or a sworn affidavit to the commissioner and pay an annual fee established under sections 360.511 to 360.67, which must not exceed \$500. ~~Should~~ If the aircraft ~~be is~~ operated other than for agricultural purposes, the owner ~~shall~~ must list the aircraft for taxation and registration under sections 360.511 to 360.67. If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and registration under this subdivision or under sections 360.511 to 360.67, as applicable.

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



Sec. 63. Minnesota Statutes 2024, section 360.55, is amended by adding a subdivision to read:

**Subd. 10. Coordinated unmanned aircraft system fleets.** (a) An operator planning to conduct a coordinated unmanned aircraft event must register the fleet of small unmanned aircraft systems at least 15 days before the event. Registration under this subdivision must be in the manner specified by the commissioner.

(b) The registration must include:

(1) the name and contact information of the event organizer;

(2) the date, time, and location of the event;

(3) the number of small unmanned aircraft systems to be used;

(4) proof of liability insurance for the small unmanned aircraft systems;

(5) a copy of the operator's small unmanned aircraft system pilot's license; and

(6) a copy of the commercial operator's license.

(c) A daily registration fee of \$2 per small unmanned aircraft system used in the fleet applies to fleets registered under this subdivision. The fee is in lieu of the registration fee in subdivision 9. A fleet registered under this subdivision is exempt from the aircraft registration tax under sections 360.511 to 360.67.

Sec. 64. Minnesota Statutes 2024, section 398A.04, is amended by adding a subdivision to read:

**Subd. 12. Financial information.** An authority associated with a metropolitan county, as defined in section 473.121, subdivision 4, must annually submit financial information to the commissioner of transportation as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

Sec. 65. Minnesota Statutes 2024, section 473.13, is amended by adding a subdivision to read:

**Subd. 7. Use of certain investment.** The council is subject to the requirements under section 162.16, subdivision 2.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 66. Minnesota Statutes 2024, section 473.39, is amended by adding a subdivision to read:

**Subd. 1y. Obligations.** In addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$110,800,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, after July 1, 2025, the council may issue certificates of indebtedness, bonds, or other obligations in an amount not exceeding \$54,600,000, and after July 1, 2026, the council may issue certificates of indebtedness, bonds, or other obligations in an additional amount not exceeding \$56,200,000.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 67. Minnesota Statutes 2024, section 473.39, is amended by adding a subdivision to read:

Subd. 3a. **General fund impacts.** (a) No later than June 30, 2026, and on June 30 of each subsequent year, the commissioner of revenue must certify to the council an estimate of the revenue lost to the state general fund in the following fiscal year as a result of the increase in the council's debt service levy as a result of the authorization under subdivision 1y. The estimate must include but is not limited to the effect of the levy on the state's property tax refund programs and individual income tax collections.

(b) Beginning in fiscal year 2027, by July 31 in each fiscal year in which the commissioner of revenue estimates a general fund reduction under paragraph (a), the council must transfer to the state general fund the amount certified by the commissioner of revenue.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 68. Minnesota Statutes 2024, section 473.39, subdivision 6, is amended to read:

Subd. 6. **Limitation; light rail transit.** The council is prohibited from expending any proceeds from certificates of indebtedness, bonds, or other obligations under subdivisions 1u, 1w, ~~and 1x,~~ and 1y for project development, land acquisition, or construction to (1) establish a light rail transit line; or (2) expand a light rail transit line, including by extending a line or adding additional stops.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 69. Minnesota Statutes 2024, section 473.408, is amended by adding a subdivision to read:

Subd. 11. **Transit service for certified disabled riders.** (a) The council must provide regular route transit, as defined in section 473.385, subdivision 1, free of charge to an individual who is:

(1) certified as disabled under the Americans with Disabilities Act requirements of the Federal Transit Administration; or

(2) certified by the council under section 473.386, subdivision 2a.

(b) The requirements under this subdivision apply to operators of regular route transit receiving financial assistance under section 473.388 or operating under section 473.405, subdivision 12.

**APPLICATION.** This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 70. Minnesota Statutes 2024, section 473.4465, is amended by adding a subdivision to read:

Subd. 2a. **Use of funds; Metropolitan Council; loan authorized.** From the amounts in subdivision 2, paragraph (a), clause (2), the council is authorized to loan to the Department of Transportation up to \$250,000,000 to advance and coordinate highway construction with one major transitway project in the metropolitan area. Funds may be used for any costs related to the selected project, including but not limited to predesign, design, engineering, environmental analysis, right-of-way acquisition including temporary and permanent easements, and construction. The loan agreement, including repayment terms, must be mutually agreed to by the council and the Department of Transportation.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 71. Minnesota Statutes 2024, section 473.4465, subdivision 4, is amended to read:

Subd. 4. **Use of funds; metropolitan counties; reporting.** (a) A metropolitan county must use revenue from the regional transportation sales and use tax under section 297A.9915 in conformance with the requirements under section 174.49, subdivision 6.

~~(b) By February 15 of each even-numbered year, a metropolitan county must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on the use of funds received under section 297A.9915. This report must be submitted in conjunction with the report required under section 297A.993, subdivision 2a. At a minimum, the report must include:~~

- ~~(1) actual sales tax collections allocated to the county over the previous five calendar years;~~
- ~~(2) an estimation of the total sales tax revenue that is estimated to be allocated to the county in the current year and for the next ten calendar years; and~~
- ~~(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:~~
  - ~~(i) the amount of sales tax revenue expended or proposed to be expended for each of the allowable uses under section 174.49, subdivision 6;~~
  - ~~(ii) completed, current, planned, and eligible projects or programs for each category under item (i); and~~
  - ~~(iii) an estimated balance of unspent or undesignated regional transportation sales and use tax revenue.~~

Sec. 72. Laws 2023, chapter 68, article 4, section 109, is amended to read:

Sec. 109. **TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.**

(a) The commissioner of public safety must enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an evaluation of the disposition in recent years of citations for speeding, impairment, distraction, and seatbelt violations. The evaluation under the agreement must include but is not limited to analysis of:

- (1) rates of citations issued compared to rates of citations contested in court and the outcomes of the cases;
- (2) amounts of fines imposed compared to counts and amounts of fine payments; and
- (3) any related changes in patterns of traffic enforcement from 2017 to 2022.

(b) The agreement must require the Center for Transportation Studies to submit an interim progress report by July 1, 2024, and a final report by ~~July 1, 2025~~ January 15, 2026, to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and public safety.

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

Sec. 73. **RULEMAKING; LOSS OF VOLUNTARY CONTROL PROVISIONS MODIFICATION.**

(a) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item F, to no longer require an annual physician's statement from a driver if:

- (1) a single nonepileptic seizure was responsible for the driver's loss of consciousness or voluntary control;

(2) the driver has been free from episodes of loss of consciousness or voluntary control for five years from the date of the incident under clause (1);

(3) the driver has not been prescribed or taking any antiseizure medication for five years from the date of the incident under clause (1); and

(4) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(b) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item G, to no longer require an annual physician's statement from a driver if:

(1) the driver has been free from episodes of loss of consciousness or voluntary control for ten years;

(2) the driver has not been prescribed or taking any antiseizure medication for ten years; and

(3) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(c) A review by a physician under Minnesota Rules, part 7410.2500, subpart 5, item F or G, does not apply to a driver who is required to hold a valid medical examiner's certificate under Code of Federal Regulations, title 49, section 391.43, and does not constitute a determination of that driver's physical qualifications as required under Code of Federal Regulations, title 49, section 391.41.

(d) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

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

**Sec. 74. ADDITIONAL FULL-SERVICE PROVIDER FOR CIRCLE PINES.**

Notwithstanding Minnesota Statutes, sections 168.33 and 171.061, and rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar or driver's license agent based on either the distance to an existing deputy registrar or driver's license agent office or the annual volume of transactions processed by any deputy registrar or driver's license agent before or after the proposed appointment, the commissioner of public safety must appoint the deputy registrar of motor vehicles currently at 9201 Lexington Avenue North in the city of Circle Pines as a driver's license agent to operate as a full-service office. The addition of a driver's license agent establishes the location as a full-service office with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapters 7404 and 7406, apply to the office.

**Sec. 75. BUS RAPID TRANSIT ALTERNATE MODE ANALYSIS.**

(a) The Metropolitan Council must perform an analysis of alternate transit in the corridor of the Blue Line light rail transit extension project. At a minimum, the analysis must:

(1) evaluate bus rapid transit as an alternative mode of transit service in the corridor;

(2) perform a comparison between light rail transit and bus rapid transit alternatives that includes life cycle fiscal costs, ridership, transit system impacts, project risks, and any other relevant costs and benefits; and

(3) review considerations and develop any recommendations for a project redesign to implement bus rapid transit in the corridor.

(b) By January 15, 2026, the Metropolitan Council must submit a report on the analysis to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the Hennepin County Board of Commissioners. At a minimum, the report must:

(1) summarize the analysis; and

(2) provide information on each of the requirements under paragraph (a), clauses (1) to (3).

(c) The council must use existing resources to perform the analysis and report under this section.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 76. **HIGH-SUBSIDY TRANSIT SERVICE ANALYSIS.**

(a) By March 1, 2026, the Metropolitan Council must conduct an analysis of high-subsidy regional regular route transit service. At a minimum, the analysis must:

(1) calculate per-passenger operating subsidies for each route operated, by route type, as identified in the transportation policy plan under Minnesota Statutes, section 473.146;

(2) estimate the capital and operating savings from discontinuing each route in the highest tier of per-passenger subsidy, as defined in the transportation policy plan; and

(3) estimate and evaluate the cost of Metro Mobility rides provided near the highest tier routes identified under clause (2).

(b) Within 60 days of a request, a recipient of financial assistance from the Metropolitan Council under Minnesota Statutes, section 473.388, must provide data and information as requested by the council that is necessary for the analysis under this section.

(c) Following completion, the Metropolitan Council must submit a copy of the analysis to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(d) The Metropolitan Council must use sales tax revenue under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), for the costs of analysis and reporting under this section.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 77. **METRO MOBILITY FORECASTING ANALYSIS.**

(a) By February 1, 2026, the commissioner of transportation must conduct an analysis of Metropolitan Council forecast practices for special transportation service as provided under Minnesota Statutes, section 473.386, subdivision 10. The commissioner must enter into an agreement with a third-party entity to perform the forecasting analysis. The third-party entity must have experience and expertise in transit systems, budgeting, and cost projections or relevant fiscal modeling.

(b) At a minimum, the analysis must:

(1) review data, projections, and assumptions used by the Metropolitan Council to forecast special transportation service costs and revenue;

(2) evaluate the forecasting methodology used by the Metropolitan Council;

(3) identify factors in the rate of anticipated cost growth;

(4) identify and analyze methods to improve efficiency and reduce costs; and

(5) develop findings and make recommendations related to the analysis.

(c) Following completion, the commissioner must submit a copy of the analysis to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(d) The Metropolitan Council must provide data and information as requested by the commissioner on behalf of the third-party entity that is necessary for the analysis under this section. In the amount identified by the commissioner, the Metropolitan Council must use sales tax revenue under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), for the costs of the forecasting analysis under this section.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment. Paragraph (d) applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

### ARTICLE 3 CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 169A.55, subdivision 5, is amended to read:

Subd. 5. **Reinstatement of driving privileges; certain criminal vehicular operation offenses.** A person whose driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(4)~~ (2) (revocation, criminal vehicular operation), or suspended under section 171.187 (suspension, criminal vehicular operation), for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4), subdivision 2, clause (2), item (i) or (iii), (3), or (4), or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or section 609.2114, subdivision 2, clause (2), item (i) or (iii) (criminal vehicular operation, alcohol-related provisions), resulting in bodily harm, substantial bodily harm, or great bodily harm, shall not be eligible for reinstatement of driving privileges until the person has submitted to the commissioner verification of the use of ignition interlock for the applicable time period specified in those sections. To be eligible for reinstatement under this subdivision, a person shall utilize an ignition interlock device that meets the performance standards and certification requirements under subdivision 4, paragraph (c).

Sec. 2. Minnesota Statutes 2024, section 171.2405, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) A city or county may establish a license reinstatement diversion program for holders of class D drivers' licenses who have been charged with violating section 171.24, subdivision 1 or 2. An individual charged with driving after revocation under section 171.24, subdivision 2, is eligible for diversion only if the revocation was due to a violation of section 169.791; 169.797; 169A.52; 169A.54; 171.17, subdivision 1, paragraph (a), clause ~~(6)~~ (7); or 171.177. An individual who is a holder of a commercial driver's license or who has committed an offense in a commercial motor vehicle is not eligible to participate in the diversion program. Nothing in this section authorizes the issuance of a driver's license to a diversion program participant during the underlying suspension or revocation period at issue in the violation of section 171.24, subdivision 1 or 2.

(b) Notwithstanding any law or ordinance to the contrary, a city or county may contract with a third party to create and administer the diversion program under this section. Any participating city or county, at its own expense, may request an audit of the administrator.

(c) For purposes of this section, "administrator" means the city, county, or administrator of the program.

Sec. 3. Minnesota Statutes 2024, section 171.301, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a reintegration driver's license to any person:

(1) who is 18 years of age or older;

(2) who has been released from a period of at least 180 consecutive days of confinement or incarceration in:

(i) an adult correctional facility under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021;

(ii) a federal correctional facility for adults; or

(iii) an adult correctional facility operated under the control or supervision of any other state; and

(3) whose license has been suspended or revoked under the circumstances listed in section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred before the individual was incarcerated for the period described in clause (2).

(b) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner.

(c) If the person's driver's license or permit to drive has been suspended under section 171.186, the commissioner may only issue a reintegration driver's license to the person after the commissioner receives notice of a court order provided pursuant to section 518A.65, paragraph (e), showing that the person's driver's license or operating privileges should no longer be suspended.

(d) If the person's driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) or (2), the commissioner may only issue a reintegration driver's license to the person after the person has completed the applicable revocation period.

(e) The commissioner must not issue a reintegration driver's license:

(1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or (11);

(2) to any person described in section 169A.55, subdivision 5;

(3) if the person has committed a violation after the person was released from custody that results in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1; or

(4) if the issuance would conflict with the requirements of the nonresident violator compact.

(f) The commissioner must not issue a class A, class B, or class C reintegration driver's license.

Sec. 4. Minnesota Statutes 2024, section 171.306, subdivision 1, is amended to read:

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

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(4)~~ (2), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm.

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Sec. 5. Minnesota Statutes 2024, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant whose driver's license has been: (1) revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3); 169A.54, subdivision 1, clause (1), (2), (3), or (4); or 171.177, subdivision 4, paragraph (a), clause (1), (2), or (3), or subdivision 5,



paragraph (a), clause (1), (2), or (3); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(4)~~ (2), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(4)~~ (2), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed substance use disorder treatment or rehabilitation program as recommended in a chemical use assessment. As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed substance use disorder treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section 169A.55, subdivision 4.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; transferring money; modifying various policy and finance provisions; modifying and providing for allocation of certain fees; directing certain rulemaking; requiring studies; modifying and requiring certain legislative reporting; amending Minnesota Statutes 2024, sections 4.076, subdivisions 4, 5; 161.115, subdivision 177; 161.178, subdivisions 1, 2a, 8, by adding a subdivision; 162.16; 168.002, subdivision 6; 168.013, subdivision 1m; 168.091; 168.1287, subdivisions 1, 5; 168.27, subdivisions 8, 11, 16, 22; 168.33, by adding a subdivision; 168A.11, subdivision 1; 168E.01, by adding subdivisions; 168E.05, subdivision 1; 169.011, subdivision 36; 169.06, subdivision 5; 169.09, subdivision 8; 169.14, subdivision 1a; 169.686, subdivision 1; 169.865, subdivisions 1a, 3; 169A.55, subdivision 5; 171.01, by adding a subdivision; 171.05, subdivision 1; 171.06, by adding a subdivision; 171.0605, subdivision 2, by adding a subdivision; 171.061, by adding a subdivision; 171.13, subdivisions 7, 8; 171.17, subdivision 1; 171.2405, subdivision 1; 171.301, subdivision 1; 171.306, subdivisions 1, 4; 174.02, by adding a subdivision; 174.03, subdivision 12, by adding a subdivision; 174.07, subdivision 3; 174.38, subdivision 4; 174.49, by adding a subdivision; 174.56; 174.634, subdivision 2; 289A.51, subdivisions 3, 4; 297A.993, subdivision 2a; 299A.01, by adding a subdivision; 360.511, by adding subdivisions; 360.55, subdivisions 4, 4a, 8, by adding a subdivision; 398A.04, by adding a subdivision; 473.13, by adding a subdivision; 473.39, subdivision 6, by adding subdivisions; 473.408, by adding a subdivision;

473.4465, subdivision 4, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special Session chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section 9; Laws 2023, chapter 68, article 1, section 2, subdivisions 2, 3; article 4, section 109; Laws 2024, chapter 127, article 1, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 137; 168; 168A; 174."

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

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. 2439, A bill for an act relating to state government; appropriating money for environment and natural resources; modifying fees and surcharges; modifying disposition of certain funds; modifying permitting efficiency provisions; establishing stewardship program for circuit boards, batteries, and electrical products; prohibiting mercury in batteries; modifying funding considerations for water infrastructure; providing for recovery of expenses of responding to pollutant release; modifying reimbursable costs under Petroleum Tank Release Cleanup Act; providing for loans for regional parks and trails projects; modifying grant programs; modifying prior appropriations; providing civil penalties; authorizing rulemaking; amending Minnesota Statutes 2024, sections 85.055, subdivision 1; 86B.415, subdivision 7; 103G.271, subdivision 6; 103G.301, subdivision 2; 115.01, by adding subdivisions; 115.071, subdivision 1; 115.072; 115A.121; 115A.554; 115B.421; 115C.02, subdivision 14, by adding a subdivision; 115C.09, subdivision 1; 116.03, subdivision 2b; 116.073, subdivisions 1, 2; 116.182, subdivision 5; 116.92, subdivision 6, by adding a subdivision; 168.1295, subdivision 1; 446A.07, subdivision 8; 473.167; 473.355, subdivision 2; 473.5491, subdivision 1; Laws 2023, chapter 60, article 1, section 2, subdivisions 2, 7; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 2024, sections 115A.1310, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12a, 12b, 12c, 13, 14, 15, 17, 18, 19, 20; 115A.1312; 115A.1314; 115A.1316; 115A.1318; 115A.1320; 115A.1322; 115A.1323; 115A.1324; 115A.1326; 115A.1328; 115A.1330; 115A.9155; 115A.9157, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 115A.961, subdivisions 1, 2, 3; 325E.125; 325E.1251.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1 APPROPRIATIONS

### Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year 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**  
2026 2027

Sec. 2. **POLLUTION CONTROL AGENCY**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$143,693,000</u></b>	<b><u>\$148,382,000</u></b>
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**Appropriations by Fund**

	<u>2026</u>	<u>2027</u>
<u>General</u>	8,729,000	8,729,000
<u>State Government</u>		
<u>Special Revenue</u>	90,000	90,000
<u>Environmental</u>	114,627,000	119,316,000
<u>Remediation</u>	20,247,000	20,247,000

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

The commissioner must present the agency's biennial budget for fiscal years 2028 and 2029 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

<b><u>Subd. 2. Environmental Analysis and Outcomes</u></b>	<b><u>22,019,000</u></b>	<b><u>23,642,000</u></b>
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**Appropriations by Fund**

	<u>2026</u>	<u>2027</u>
<u>General</u>	542,000	542,000
<u>Environmental</u>	21,272,000	22,895,000
<u>Remediation</u>	205,000	205,000

(a) \$125,000 the first year and \$125,000 the second year are for a municipal liaison to assist municipalities with water quality standards and NPDES/SDS permitting processes, including enhanced economic analysis in the water quality standards rulemaking processes, identification of cost-effective permitting opportunities, simplifying the variance process, and coordinating with the Public Facilities Authority to identify and advocate for needed resources for municipalities to achieve permit requirements.

(b) \$1,153,000 the first year and \$1,153,000 the second year are from the environmental fund for an air-monitoring program under Minnesota Statutes, section 116.454, including ambient air for hazardous pollutants, and for operating a mobile emissions regulatory monitoring trailer.

(c) \$140,000 the first year and \$140,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$109,000 the first year and \$109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$70,000 the first year and \$70,000 the second year are transferred to the commissioner of health.

(e) \$132,000 the first year and \$132,000 the second year are from the environmental fund for registering wastewater laboratories.

(f) \$1,519,000 the first year and \$1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$1,248,000 the first year and \$1,248,000 the second year are for transfer to the commissioner of health.

(g) \$62,000 the first year and \$62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(h) \$74,000 the first year and \$74,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(i) \$270,000 the first year and \$270,000 the second year are to support communities in planning to implement projects that will allow for adaptation for a changing climate.

(j) \$2,070,000 the first year and \$2,070,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including Minnesota's PFAS Blueprint.

(k) \$1,820,000 the first year and \$1,820,000 the second year are from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties to facilitate decision-making and public access.

(l) \$7,000 the first year and \$7,000 the second year are to implement the requirements for fish kills under Minnesota Statutes, sections 103G.216 and 103G.2165.

(m) \$1,400,000 the second year is from the environmental fund to adopt rules and implement air toxics emissions requirements under Minnesota Statutes, section 116.062.

(n) \$881,000 the first year and \$881,000 the second year are from the environmental fund for monitoring ambient air for hazardous air pollutants in Hennepin, Ramsey, Washington, and Olmsted Counties.

**Subd. 3. Industrial**

22,305,000

25,271,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>250,000</u>	<u>250,000</u>
<u>Environmental</u>	<u>20,282,000</u>	<u>23,248,000</u>
<u>Remediation</u>	<u>1,773,000</u>	<u>1,773,000</u>

(a) \$1,670,000 the first year and \$1,670,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$149,000 the first year and \$149,000 the second year are from the environmental fund for transfer to the commissioner of health to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities.

(c) \$250,000 the first year and \$250,000 the second year are for implementation of the odor management requirements under Minnesota Statutes, section 116.064.

(d) \$140,000 the second year is from the environmental fund for the purposes of the public informational meeting requirements under Minnesota Statutes, section 116.07, subdivision 4m.

(e) \$2,625,000 the first year and \$2,625,000 the second year are from the environmental fund for prioritizing air regulatory program work in environmental justice areas.

(f) \$2,500,000 the second year is from the environmental fund for implementing the environmental justice cumulative impact analysis and other requirements under Minnesota Statutes, section 116.065.

(g) \$700,000 the first year and \$700,000 the second year are from the environmental fund to improve the coordination, effectiveness, transparency, and accountability of the environmental review and permitting process.

**Subd. 4. Municipal**

10,829,000

10,829,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>223,000</u>	<u>223,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>90,000</u>	<u>90,000</u>
<u>Environmental</u>	<u>10,516,000</u>	<u>10,516,000</u>

(a) \$223,000 the first year and \$223,000 the second year are for a municipal liaison to assist municipalities with water quality standards and NPDES/SDS permitting processes, including enhanced economic analysis in the water quality standards rulemaking processes, identification of cost-effective permitting opportunities, simplifying the variance process, and coordinating with the Public Facilities Authority to identify and advocate for needed resources for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$2,432,000 the first year and \$2,432,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration; for community technical assistance and education, including grants and technical assistance to communities for water-quality protection, new technology review, and enforcement under Minnesota Statutes, sections 115.55 to 115.58; and to complete the requirements of Laws 2003, chapter 128, article 1, section 165. Of this amount, \$350,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2027, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2030.

**Subd. 5. Operations**13,976,00014,007,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>3,109,000</u>	<u>3,109,000</u>
<u>Environmental</u>	<u>8,376,000</u>	<u>8,407,000</u>
<u>Remediation</u>	<u>2,491,000</u>	<u>2,491,000</u>

(a) \$1,124,000 the first year and \$1,124,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$3,109,000 the first year and \$3,109,000 the second year are to support agency information technology services provided at the enterprise and agency level.

(c) \$919,000 the first year and \$919,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data.

(d) \$270,000 the first year and \$270,000 the second year are from the environmental fund to support current and future career pathways for underrepresented students.

(e) \$360,000 the first year and \$360,000 the second year are from the environmental fund to support financial planning and analysis to assist with risk and compliance management across agency programs and financial systems.

(f) \$525,000 the first year and \$525,000 the second year are from the environmental fund for Operations Division legal services that support compliance programs.

**Subd. 6. Remediation**16,022,00016,022,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>Environmental</u>	<u>628,000</u>	<u>628,000</u>
<u>Remediation</u>	<u>15,394,000</u>	<u>15,394,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency

and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments.

(b) \$4,622,000 the first year and \$4,622,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(c) \$316,000 the first year and \$316,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

**Subd. 7. Resource Management and Assistance**

45,715,000

45,784,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>370,000</u>	<u>370,000</u>
<u>Environmental</u>	<u>45,345,000</u>	<u>45,784,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, \$300,000 the first year and \$300,000 the second year are from the general fund, and \$700,000 the first year and \$700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2029.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.



(d) \$18,450,000 the first year and \$18,450,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) \$400,000 the first year and \$400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses. This appropriation is available until June 30, 2029.

(g) \$770,000 the first year and \$770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2029.

(h) \$2,811,000 the first year and \$2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) \$474,000 the first year and \$474,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, \$80,000 the first year and \$80,000 the second year are transferred to the commissioner of health.

(j) \$650,000 the first year and \$650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(k) \$1,115,000 the first year and \$1,115,000 the second year are from the environmental fund for implementation of the PFAS requirements under Minnesota Statutes, section 116.943. Of this amount, \$468,000 the first year and \$468,000 the second year are for transfer to the commissioner of health.

(l) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2027, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2029.

**Subd. 8. Watershed**11,325,00011,325,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>2,959,000</u>	<u>2,959,000</u>
<u>Environmental</u>	<u>7,982,000</u>	<u>7,982,000</u>
<u>Remediation</u>	<u>384,000</u>	<u>384,000</u>

(a) \$2,959,000 the first year and \$2,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$129,000 the first year and \$129,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(c) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

**Subd. 9. Environmental Quality Board**1,502,0001,502,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>1,276,000</u>	<u>1,276,000</u>
<u>Environmental</u>	<u>226,000</u>	<u>226,000</u>

**Subd. 10. Transfers**

(a) The commissioner must transfer up to \$24,000,000 the first year and \$24,000,000 the second year from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

(b) The commissioner of management and budget must transfer \$100,000 the first year and each fiscal year thereafter from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17.

Sec. 3. **NATURAL RESOURCES****Subdivision 1. Total Appropriation****\$385,036,000****\$385,036,000**Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>130,868,000</u>	<u>130,868,000</u>
<u>Natural Resources</u>	<u>123,638,000</u>	<u>123,638,000</u>
<u>Game and Fish</u>	<u>129,711,000</u>	<u>129,711,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>
<u>Permanent School</u>	<u>702,000</u>	<u>702,000</u>

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

**Subd. 2. Land and Mineral Resources Management**10,126,00010,126,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>5,126,000</u>	<u>5,126,000</u>
<u>Natural Resources</u>	<u>4,438,000</u>	<u>4,438,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

(a) \$319,000 the first year and \$319,000 the second year are for environmental research relating to mine permitting, of which \$200,000 each year is from the minerals management account in the natural resources fund and \$119,000 each year is from the general fund.

(b) \$3,383,000 the first year and \$3,383,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral-resource opportunities.

(c) \$218,000 the first year and \$218,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) \$338,000 the first year and \$338,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

**Subd. 3. Ecological and Water Resources**44,539,00044,539,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>24,884,000</u>	<u>24,884,000</u>
<u>Natural Resources</u>	<u>13,831,000</u>	<u>13,831,000</u>
<u>Game and Fish</u>	<u>5,824,000</u>	<u>5,824,000</u>

(a) \$4,222,000 the first year and \$4,222,000 the second year are from the invasive species account in the natural resources fund and \$2,831,000 the first year and \$2,831,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) \$6,056,000 the first year and \$6,056,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

(d) \$264,000 the first year and \$264,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement.

(e) \$2,598,000 the first year and \$2,598,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(f) \$1,150,000 the first year and \$1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(g) Notwithstanding Minnesota Statutes, section 84.943, \$48,000 the first year and \$48,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(h) \$6,000,000 the first year and \$6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(i) \$410,000 the first year and \$410,000 the second year are from the heritage enhancement account in the game and fish fund and \$500,000 the first year and \$500,000 the second year are from the general fund for the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

**Subd. 4. Forest Management**

60,199,000

60,199,000

**Appropriations by Fund**

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>42,421,000</u>	<u>42,421,000</u>
<u>Natural Resources</u>	<u>16,161,000</u>	<u>16,161,000</u>
<u>Game and Fish</u>	<u>1,617,000</u>	<u>1,617,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and

divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$15,661,000 the first year and \$15,661,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,617,000 the first year and \$1,617,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS), forest habitat, and invasive species management.

(d) \$926,000 the first year and \$926,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(f) \$500,000 the first year and \$500,000 the second year are for forest road maintenance on county forest roads.

(g) \$400,000 the first year and \$400,000 the second year are for grants to local and Tribal governments and nonprofit organizations to enhance community forest ecosystem health and sustainability under Minnesota Statutes, section 88.82. The commissioner may use a reasonable amount of this appropriation for administering ReLeaf grants.

**Subd. 5. Parks and Trails Management**

109,847,000

109,847,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>35,724,000</u>	<u>35,724,000</u>
<u>Natural Resources</u>	<u>71,823,000</u>	<u>71,823,000</u>
<u>Game and Fish</u>	<u>2,300,000</u>	<u>2,300,000</u>

(a) \$8,735,000 the first year and \$8,735,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) \$22,078,000 the first year and \$22,078,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) \$1,300,000 the first year and \$1,300,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. Priority must be given for projects that are in underserved communities or that increase access to persons with disabilities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$2,435,000 the first year and \$2,435,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,960,000 each year is from the all-terrain vehicle account, \$150,000 each year is from the off-highway motorcycle account, and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$2,250,000 the first year and \$2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$250,000 the first year and \$250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) \$250,000 the first year and \$250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) \$600,000 the first year and \$600,000 the second year are from the natural resources fund for projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and

outdoor recreational activities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (j).

**Subd. 6. Fish and Wildlife Management**

95,772,000

95,772,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
General	<u>8,417,000</u>	<u>8,417,000</u>
Natural Resources	<u>2,082,000</u>	<u>2,082,000</u>
Game and Fish	<u>85,273,000</u>	<u>85,273,000</u>

(a) \$11,842,000 the first year and \$11,842,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$8,546,000 the first year and \$8,546,000 the second year are from the deer management account in the game and fish fund for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(c) \$500,000 the first year and \$500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976. The commissioner may use a reasonable amount of this appropriation for administering grants authorized under Minnesota Statutes, section 84.976. Priority must be given to projects benefiting underserved communities.

(d) Up to \$2,225,000 the first year and up to \$2,225,000 the second year are available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund for wildlife management areas acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5, paragraph (b).

(e) \$3,532,000 the first year and \$3,532,000 the second year are from the general fund and \$1,675,000 the first year and \$1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. Of this amount, up to \$2,750,000 each year from the general fund is for inspections, investigations, and enforcement activities taken for the white-tailed deer farm program.



**Subd. 7. Enforcement**62,738,00062,738,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>14,075,000</u>	<u>14,075,000</u>
<u>Natural Resources</u>	<u>14,193,000</u>	<u>14,193,000</u>
<u>Game and Fish</u>	<u>34,353,000</u>	<u>34,353,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>

(a) \$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$2,980,000 the first year and \$2,980,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,442,000 the first year and \$1,442,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the

county. Of this amount, \$498,000 each year is from the all-terrain vehicle account, \$11,000 each year is from the off-highway motorcycle account, and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administering the grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$20,000 the first year and \$20,000 the second year are from the off-highway motorcycle account in the natural resources fund for grants to qualifying off-highway motorcycle organizations to assist in providing safety and environmental education and monitoring trails on public lands according to Minnesota Statutes, section 84.9011. Grants awarded under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on how the money was expended and what outcomes were achieved.

**Subd. 8. Pass Through Funds**

1,815,000

1,815,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>221,000</u>	<u>221,000</u>
<u>Natural Resources</u>	<u>1,110,000</u>	<u>1,110,000</u>
<u>Permanent School</u>	<u>484,000</u>	<u>484,000</u>

(a) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$221,000 the first year and \$221,000 the second year are for the Office of School Trust Lands.

(c) \$150,000 the first year and \$150,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for transaction and project management costs for divesting of school trust lands within Boundary Waters Canoe Area Wilderness.

(d) \$334,000 the first year and \$334,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for the Office of School Trust Lands.

(e) \$600,000 the first year and \$600,000 the second year are from the natural resources fund for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535, based on the recommendations from the Greater Minnesota Regional Parks and Trails Commission. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (i).

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

**\$15,792,000**

**\$15,792,000**

(a) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) \$1,560,000 the first year and \$1,560,000 the second year are for the following:

(1) \$1,460,000 the first year and \$1,460,000 the second year are for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) \$100,000 the first year and \$100,000 the second year are for invasive species and weed management programs and to restore native plants at selected invasive species management sites.

(c) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13.

(d) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(e) \$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(f) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of sustaining the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(g) \$203,000 the first year and \$203,000 the second year are for soil health programming consistent with Minnesota Statutes, section 103F.06, and for coordination with the University of Minnesota Office for Soil Health.

(h) \$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

(i) \$6,844,000 the first year and \$6,844,000 the second year are for agency administration and operation of the Board of Water and Soil Resources.

(j) The board may shift funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(k) The appropriations for grants and payments in this section are available until June 30, 2029, except returned grants and payments are available for two years after they are returned or regranted, whichever is later. Funds must be used consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(l) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. **METROPOLITAN COUNCIL**

**\$11,490,000**

**\$11,490,000**

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>2,540,000</u>	<u>2,540,000</u>
<u>Natural Resources</u>	<u>8,950,000</u>	<u>8,950,000</u>

(a) \$2,540,000 the first year and \$2,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) \$8,950,000 the first year and \$8,950,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

Sec. 6. **CONSERVATION CORPS MINNESOTA AND IOWA**

**\$1,070,000**

**\$1,070,000**

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>580,000</u>	<u>580,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

Conservation Corps Minnesota and Iowa may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. **ZOOLOGICAL BOARD**

**\$13,837,000**

**\$13,837,000**

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>13,582,000</u>	<u>13,582,000</u>
<u>Natural Resources</u>	<u>255,000</u>	<u>255,000</u>

\$255,000 the first year and \$255,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

Sec. 8. **SCIENCE MUSEUM****\$1,260,000****\$1,260,000**

Sec. 9. Laws 2023, chapter 60, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation****\$305,345,000****\$229,638,000**  
**226,638,000**

## Appropriations by Fund

	2024	2025
General	179,534,000	<del>100,098,000</del> <u>97,098,000</u>
State Government		
Special Revenue	85,000	90,000
Environmental	106,055,000	109,203,000
Remediation	19,671,000	20,247,000

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

The commissioner must present the agency's biennial budget for fiscal years 2026 and 2027 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

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

Sec. 10. Laws 2023, chapter 60, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Environmental Analysis and Outcomes**

79,311,000

~~72,785,000~~  
69,785,000

## Appropriations by Fund

	2024	2025
General	60,103,000	<del>53,047,000</del> <u>50,047,000</u>
Environmental	18,959,000	19,533,000
Remediation	249,000	205,000

(a) \$122,000 the first year and \$125,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for urban, suburban, and Greater Minnesota municipalities to achieve permit requirements.

(b) \$216,000 the first year and \$219,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) \$132,000 the first year and \$137,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$390,000 the first year and \$399,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) \$106,000 the first year and \$109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$68,000 the first year and \$70,000 the second year are transferred to the commissioner of health.

(f) \$128,000 the first year and \$132,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) \$1,492,000 the first year and \$1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$1,226,000 the first year and \$1,248,000 the second year are for transfer to the commissioner of health.

(h) \$61,000 the first year and \$62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) \$72,000 the first year and \$74,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(j) \$500,000 the first year is to facilitate the collaboration and modeling of greenhouse gas impacts, costs, and benefits of strategies to reduce statewide greenhouse gas emissions. This is a onetime appropriation.

(k) \$50,266,000 the first year and ~~\$50,270,000~~ \$47,270,000 the second year are to establish and implement a local government climate resiliency and water infrastructure grant program for local governmental units and Tribal governments. Of this amount, ~~\$49,100,000 each the first year is and \$46,100,000 the second year~~ are for grants to support communities in planning and implementing projects that will allow for adaptation for a changing climate. At least 40 percent of the money granted under this paragraph must be for projects in areas that meet environmental justice criteria. By December 30, 2027, the commissioner must submit a report on the use of grant money to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources finance. This appropriation is available until June 30, 2027. The base for this appropriation in fiscal year 2026 and beyond is \$270,000.

(l) \$75,000 the first year is for a grant to the city of Fergus Falls to address water-quality concerns at Lake Alice.

(m) \$150,000 the first year is for a grant to Rice County to address water-quality concerns at French Lake.

(n) \$75,000 the first year is for a grant to Ramsey County to address water-quality concerns at Round Lake.

(o) Recipients of money appropriated in paragraphs (l), (m), and (n) may use the grants to contract for water-quality improvement services, testing, necessary infrastructure, training, and maintenance.

(p) \$2,070,000 the first year and \$2,070,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including *Minnesota's PFAS Blueprint*.

(q) \$1,820,000 the first year and \$1,820,000 the second year are from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties to facilitate decision-making and public access.

(r) \$500,000 the first year is from the general fund for the report on firefighter turnout gear and biomonitoring required under this act. Of this amount, up to \$250,000 may be transferred to the commissioner of health for biomonitoring of firefighters.



(s) \$500,000 the first year is to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner of the Pollution Control Agency may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed. This is a onetime appropriation and is available until June 30, 2025.

(t) \$50,000 the first year is from the remediation fund for the work group on PFAS manufacturer fees and report required under this act.

(u) \$387,000 the first year and \$90,000 the second year are to develop and implement the requirements for fish kills under Minnesota Statutes, sections 103G.216 and 103G.2165. Of this amount, up to \$331,000 the first year and \$90,000 the second year may be transferred to the commissioners of health, natural resources, agriculture, and public safety and to the Board of Regents of the University of Minnesota as necessary to implement those sections. The base for this appropriation for fiscal year 2026 and beyond is \$7,000.

(v) \$63,000 the first year and \$92,000 the second year are for transfer to the commissioner of health for amending the health risk limit for PFOS. This is a onetime appropriation and is available until June 30, 2026.

(w) \$5,000,000 the first year is for community air-monitoring grants as provided in this act. This is a onetime appropriation and is available until June 30, 2027.

(x) \$2,333,000 the first year and \$2,333,000 the second year are to adopt rules and implement air toxics emissions requirements under Minnesota Statutes, section 116.062. The general fund appropriations are onetime and are available until June 30, 2027. The base for this appropriation is \$0 in fiscal year 2026 and \$1,400,000 from the environmental fund in fiscal year 2027 and beyond.

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

Sec. 11. Laws 2023, chapter 60, article 1, section 2, subdivision 7, is amended to read:

Subd. 7. <b>Resource Management and Assistance</b>	82,000,000	57,974,000
Appropriations by Fund		
	2024	2025
General	38,464,000	13,850,000
Environmental	43,536,000	44,124,000

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, \$300,000 the first year and \$300,000 the second year are from the general fund, and \$700,000 the first year and \$700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2027.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) \$18,450,000 the first year and \$18,450,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) \$400,000 the first year and \$400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses. This appropriation is available until June 30, 2027.

(g) \$767,000 the first year and \$770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2027.

(h) \$2,797,000 the first year and \$2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) \$318,000 the first year and \$324,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, \$78,000 the first year and \$80,000 the second year are transferred to the commissioner of health.

(j) \$180,000 the first year and \$140,000 the second year are for quantifying climate-related impacts from projects for environmental review. This is a onetime appropriation. This appropriation is available until June 30, 2026.

(k) \$1,790,000 the first year and \$70,000 the second year are for accelerating pollution prevention at small businesses. Of this amount, \$1,720,000 the first year is for transfer to the environmental fund for zero-interest loans under Minnesota Statutes, section 116.993, to phase out high-polluting equipment, products, and processes and replace with new options. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(l) \$190,000 the first year and \$190,000 the second year are to support the Greenstep Cities program. This is a onetime appropriation. This appropriation is available until June 30, 2026.

(m) \$420,000 the first year is to complete a study on the viability of recycling solar energy equipment. This is a onetime appropriation and is available until June 30, 2026.

(n) \$650,000 the first year and \$650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(o) \$4,210,000 the first year and \$210,000 the second year are for PFAS reduction grants. Of this amount, \$4,000,000 the first year is for grants to industry and public entities to identify sources of PFAS entering facilities and to develop pollution prevention and reduction initiatives to reduce PFAS entering facilities, prevent releases, and monitor the effectiveness of these projects. Priority must be given to projects in underserved communities. This is a onetime appropriation and is available until June 30, 2027.

(p) \$12,940,000 the first year and \$12,940,000 the second year are for a waste prevention and reduction grants and loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount in the first year, \$7,950,000 is for waste prevention and reduction grants and loans and \$3,000,000 is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase a wood dehydrator to facilitate disposal of wood that is infested by the emerald ash borer. Of this amount in the second year, \$10,950,000 is for waste prevention and reduction grants and loans, including \$1,000,000 for transfer to the environmental fund for the purposes of Minnesota Statutes, section 115A.0716. By October 1, 2024, the commissioner of the Pollution Control Agency must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the use of money appropriated for the wood dehydrator under this paragraph.

(q) \$16,562,000 the first year is for grants to a Minnesota nonprofit corporation that owns a cogeneration facility that serves a St. Paul district heating and cooling system to preserve existing biomass energy infrastructure for purposes of local and regional emerald ash borer response efforts. The commissioner of the Pollution Control Agency may require the nonprofit corporation to charge a fee per ton of wood waste delivered to the facility. This is a onetime appropriation and is available until June 30, 2030.

(r) \$1,163,000 the first year and \$1,115,000 the second year are from the environmental fund for rulemaking and implementation of the new PFAS requirements under Minnesota Statutes, section 116.943. Of this amount, \$312,000 the first year and \$468,000 the second year are for transfer to the commissioner of health.

(s) \$680,000 the first year is for the resource management report required in this act. This is a onetime appropriation and is available until June 30, 2026.

(t) \$35,000 the second year is from the environmental fund for the compostable labeling requirements under Minnesota Statutes, section 325E.046. The base for this appropriation in fiscal year 2026 and beyond is \$68,000 from the environmental fund.

(u) \$175,000 the first year is for the rulemaking required under this act providing for the safe and lawful disposal of waste treated seed. This appropriation is available until June 30, 2025.

(v) \$1,000,000 the first year is for a lead tackle reduction program that provides outreach, education, and opportunities to safely dispose of and exchange lead tackle throughout the state. This is a onetime appropriation and is available until June 30, 2027.

(w) \$17,000 the first year is for rulemaking for the capital assistance program. This is a onetime appropriation.

(x) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2027.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

Sec. 12. Laws 2023, chapter 60, article 1, section 3, subdivision 1, is amended to read:

Subdivision 1. <b>Total Appropriation</b>	<del>\$ 535,868,000</del>	<b>\$403,116,000</b>
	<u><b>530,868,000</b></u>	

Appropriations by Fund

	2024	2025
General	<del>281,054,000</del>	150,078,000
	<u>276,054,000</u>	
Natural Resources	123,986,000	123,706,000
Game and Fish	129,920,000	128,513,000
Remediation	117,000	117,000
Permanent School	791,000	702,000

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

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

Sec. 13. Laws 2023, chapter 60, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. <b>Fish and Wildlife Management</b>	<del>111,125,000</del>	96,963,000
	<u>106,125,000</u>	

Appropriations by Fund

	2024	2025
General	<del>23,643,000</del>	9,888,000
	<u>18,643,000</u>	
Natural Resources	2,082,000	2,082,000
Game and Fish	85,400,000	84,993,000

(a) \$11,158,000 the first year and \$11,158,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$982,000 the first year and \$982,000 the second year are from the general fund and \$1,675,000 the first year and \$1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. The commissioner and the Board of Animal Health must each submit annual reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture. The general fund base for this appropriation in fiscal year 2026 and beyond is \$282,000.

(c) \$5,150,000 the first year and \$3,250,000 the second year are for inspections, investigations, and enforcement activities taken for the white-tailed deer farm program and for statewide response and management of chronic wasting disease. This appropriation is available until June 30, 2029.

(d) \$8,546,000 the first year and \$8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(e) \$268,000 the first year and \$268,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation and is available until June 30, 2028.

(f) ~~\$10,000,000~~ \$5,000,000 the first year is for enhancing prairies and grasslands and restoring wetlands on state-owned wildlife management areas to sequester more carbon and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2027.

(g) \$500,000 the first year and \$500,000 the second year are from the general fund and \$500,000 the first year and \$500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976, and for grant administration. Priority must be given to projects benefiting underserved communities. The base for this appropriation in fiscal year 2026 and beyond is \$500,000 from the heritage enhancement account in the game and fish fund. The general fund appropriation is onetime.

(h) \$2,300,000 the first year is for a grant to the Fond du Lac Band of Lake Superior Chippewa to expand Minnesota's wild elk population and range. Consideration must be given to moving elk from existing herds in northwest Minnesota to the area of the Fond du Lac State Forest and the Fond du Lac Reservation in Carlton and southern St. Louis Counties. The Fond du Lac Band of Lake Superior Chippewa's elk reintroduction efforts must undergo thorough planning with the Department of Natural Resources to develop necessary capture and handling protocols, including protocols related to cervid disease management, and to produce postrelease state and Tribal elk comanagement plans. Of this amount, \$300,000 is for the department for the purposes of this paragraph. This is a onetime appropriation and is available until June 30, 2026.

(i) \$767,000 the first year is from the heritage enhancement account in the game and fish fund to examine the effects of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This is a onetime appropriation and is available until June 30, 2027.

(j) \$134,000 the first year and \$134,000 the second year are from the heritage enhancement account in the game and fish fund for native fish conservation and classification.

(k) \$82,000 the first year is for the native fish reports required under this act. This is a onetime appropriation.

(l) \$65,000 the first year is for preparing the report on feral pigs and mink required under this act and holding at least one public meeting on the topic.

(m) Up to \$5,750,000 the first year and up to \$2,225,000 the second year are available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund for wildlife management areas acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5b.

(n) Notwithstanding Minnesota Statutes, section 297A.94, \$300,000 the first year and \$300,000 the second year are from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2026. This appropriation must be allocated as follows:

(1) \$200,000 each fiscal year is for grants of \$25,000 or less; and

(2) \$100,000 each fiscal year is for grants in excess of \$25,000.

(o) \$75,000 the first year is from the heritage enhancement account in the game and fish fund for enhanced fish stocking of white bass and crappies in lakes in the metropolitan area that have pier and shore fishing opportunities where communities are currently underserved.

(p) \$1,633,000 the first year is for a grant to the Board of Regents of the University of Minnesota for chronic wasting disease contingency plans developed by the Center for Infectious Disease Research and Policy. This is a onetime appropriation.

(q) \$900,000 the first year is to create new or expand existing outreach and education programs for non-native English-speaking communities. Of this amount, \$250,000 is for the commissioner of the Pollution Control Agency and \$250,000 is for the Board of Water and Soil Resources for this purpose. Up to \$400,000 may be used to expand the Fishing in the Neighborhood program for outreach to new and underserved audiences. This appropriation

may be used for community outreach consultants for reaching new audiences. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 14. Laws 2023, chapter 60, article 1, section 4, is amended to read:

Sec. 4. <b>BOARD OF WATER AND SOIL RESOURCES</b>	<b>\$61,943,000</b>	<b>\$ <del>58,131,000</del></b>
		<b><u>56,131,000</u></b>

(a) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) \$761,000 the first year and \$761,000 the second year are to implement, enforce, and provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(c) \$1,560,000 the first year and \$1,560,000 the second year are for the following:

(1) \$1,460,000 the first year and \$1,460,000 the second year are for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) \$100,000 the first year and \$100,000 the second year are for county cooperative weed management programs and to restore native plants at selected invasive species management sites.

(d) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13. The Drainage Work Group must review a drainage authority's power



under Minnesota Statutes, chapter 103E, to consider the abandonment or dismantling of drainage systems; to re-meander, restore, or reconstruct a natural waterway that has been modified by drainage; or to deconstruct dikes, dams, or other water-control structures.

(e) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(f) \$190,000 the first year and \$190,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management. The base for fiscal year 2026 and later is \$140,000.

(g) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(h) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(i) \$2,000,000 the first year and \$2,000,000 the second year are for the lawns to legumes program under Minnesota Statutes, section 103B.104. The board may enter into agreements with local governments, Metro Blooms, and other organizations to support this effort. This is a onetime appropriation and is available until June 30, 2027.

(j) \$2,000,000 the first year and \$2,000,000 the second year are for the habitat enhancement landscape program under Minnesota Statutes, section 103B.106. This is a onetime appropriation and is available until June 30, 2027.

(k) \$10,557,000 the first year and \$10,557,000 the second year are for soil health activities to achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits consistent with Minnesota Statutes, section 103F.06. This is a onetime appropriation and is available until June 30, 2027. The board may use grants to local governments, including soil and water conservation districts, and agreements with the United States Department of Agriculture; the University of Minnesota, Office for Soil Health; AgCentric, Minnesota State Northern Center of Excellence; and other practitioners and partners to accomplish this work.

(l) \$203,000 the first year and \$203,000 the second year are for soil health practice adoption purposes consistent with the cost-sharing provisions of Minnesota Statutes, section 103C.501, and for soil health program responsibilities in consultation with the University of Minnesota Office for Soil Health.

(m) \$10,500,000 the first year and ~~\$10,500,000~~ \$8,500,000 the second year are for conservation easements and to restore and enhance grasslands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$423,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(n) \$4,000,000 the first year and \$5,000,000 the second year are to acquire conservation easements and to restore and enhance peatlands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$299,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(o) \$2,000,000 the first year and \$2,000,000 the second year are to enhance existing easements established under Minnesota Statutes, sections 103F.501 to 103F.531. Enhancements are for the purposes of climate resiliency, adaptation, and carbon sequestration and include but are not limited to increasing biodiversity and mitigating the effects of rainfall and runoff events. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(p) \$8,500,000 the first year and \$8,500,000 the second year are for water quality and storage practices and projects to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts consistent with Minnesota Statutes, section 103F.05. This is a onetime appropriation and is

available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(q) \$4,673,000 the first year and \$4,673,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The base for this appropriation in fiscal year 2026 and beyond is \$3,423,000.

(r) \$129,000 the first year and \$136,000 the second year are to accomplish the objectives of Minnesota Statutes, section 10.65, and related Tribal government coordination. The base for fiscal year 2026 and each year thereafter is \$144,000.

(s) \$3,000,000 the first year is to provide onetime state incentive payments to enrollees in the federal Conservation Reserve Program (CRP) during the continuous enrollment period and to enroll complementary areas in conservation easements consistent with Minnesota Statutes, section 103F.515. The board may establish payment rates based on land valuation and on environmental benefit criteria, including but not limited to surface water or groundwater pollution reduction, drinking water protection, soil health, pollinator and wildlife habitat, and other conservation enhancements. The board may use state funds to implement the program and to provide technical assistance to landowners or their agents to fulfill enrollment and contract provisions. The board must consult with the commissioners of agriculture, health, natural resources, and the Pollution Control Agency and the United States Department of Agriculture in establishing program criteria. This is a onetime appropriation and is available until June 30, 2027.

(t) \$2,000,000 the first year is to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands and to restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands, in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. Minnesota Statutes, section 103F.515, applies to this program. The board must give priority to leveraging federal money by enrolling targeted new lands or enrolling

environmentally sensitive lands that have expiring federal conservation agreements. The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to five percent of this appropriation may be used for restoration and enhancement.

(u) \$5,623,000 the first year and \$5,804,000 the second year are for agency administration and operation of the Board of Water and Soil Resources.

(v) \$500,000 the first year and \$500,000 the second year are for the habitat-friendly utilities program under Minnesota Statutes, section 103B.105. This is a onetime appropriation and is available until June 30, 2027.

(w) The board may shift money in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(x) Returned grants and payments are available for two years after they are returned or regrant, whichever is later. Funds must be regrant consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(y) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

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

## ARTICLE 2 ENVIRONMENT AND NATURAL RESOURCES POLICY

Section 1. Minnesota Statutes 2024, section 115B.421, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) The closed landfill investment fund is established in the state treasury. The fund consists of money credited to the fund and interest and other earnings on money in the fund. Funds must be deposited as described in section 115B.445. The fund must be managed to maximize long-term gain through the State Board of Investment.

(b) Each fiscal year, up to \$4,500,000 is appropriated from the closed landfill investment fund to the commissioner for the purposes of sections 115B.39 to 115B.444.

(c) If the commissioner determines that a release or threatened release from a qualified facility for which the commissioner has assumed obligations for environmental response actions under section 115B.40 or 115B.406 constitutes an emergency requiring immediate action to prevent, minimize, or mitigate damage either to the public

health or welfare or the environment or to a system designed to protect the public health or welfare or the environment, up to \$9,000,000 in addition to the amount appropriated under paragraph (b) is appropriated to the commissioner in the first year of the biennium and may be spent by the commissioner to take reasonable and necessary emergency response actions. Money not spent in the first year of the biennium may be spent in the second year. If money is appropriated under this paragraph, the commissioner must notify the chairs of the senate and house of representatives committees having jurisdiction over environment policy and finance as soon as possible. The commissioner must maintain the fund balance to ensure long-term viability of the fund and reflect the responsibility of the landfill cleanup program in perpetuity.

(d) Paragraphs (b) and (c) expire June 30, ~~2025~~ 2029."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources; modifying prior appropriations; modifying disposition of closed landfill investment fund; amending Minnesota Statutes 2024, section 115B.421, subdivision 1; Laws 2023, chapter 60, article 1, sections 2, subdivisions 1, 2, 7; 3, subdivisions 1, 6; 4."

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. 2440, A bill for an act relating to state government; establishing a biennial budget for the Department of Employment and Economic Development and Explore Minnesota; making various policy changes; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 116J.431, subdivision 2; 116J.8733, subdivision 4; 116J.8752, subdivision 2; 116L.04, subdivisions 1, 1a; 116L.98, subdivision 2; 469.54, subdivision 4; Laws 2023, chapter 53, article 20, section 2, subdivision 2, as amended; article 21, section 7, as amended; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Laws 2024, chapter 120, article 1, section 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; LABOR MARKET INFORMATION.**

\$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are appropriated from the general fund to the commissioner of employment and economic development for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401."

Delete the title and insert:

"A bill for an act relating to jobs; appropriating money for a report on labor market trends."

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

The report was adopted.

Acomb and Swedzinski from the Committee on Energy Finance and Policy to which was referred:

H. F. No. 2442, A bill for an act relating to commerce; establishing a biennial budget for commerce and energy; modifying provisions governing consumer small loans and lending; modifying the Minnesota premium security plan; requiring submission of a state innovation waiver; modifying provisions governing renewable energy, energy conservation, and energy efficiency; regulating retail electric vehicle supply equipment; modifying provisions governing certain cannabis licenses; imposing assessments and fees; appropriating money; authorizing administrative rulemaking; amending Minnesota Statutes 2024, sections 47.60, subdivisions 1, 3, 4, 5, 8, by adding a subdivision; 47.601, subdivisions 1, 5a, 7; 62E.21, by adding a subdivision; 62E.23, subdivisions 1, 2, 3; 62E.24, subdivisions 1, 2; 62E.25, subdivision 1, by adding a subdivision; 80A.58; 80A.65, subdivision 2, by adding a subdivision; 116C.7792; 216C.09; 216C.10; 216C.11; 216C.12; 216C.391, subdivisions 1, 3; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 62E; 239.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **ENERGY APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this act mean that the appropriations listed under them are available for the fiscal year 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. If an appropriation in this act is enacted more than once in the 2025 regular or a special legislative session, the appropriation must be given effect only once.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>DEPARTMENT OF COMMERCE</u></b>	<b><u>\$1,097,000</u></b>	<b><u>\$1,097,000</u></b>
<b><u>Petroleum Tank Release Compensation Board</u></b>		

This appropriation is from the petroleum tank fund."

Delete the title and insert:

"A bill for an act relating to energy; appropriating money to the Petroleum Tank Release Compensation Board."

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

The report was adopted.

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

H. F. No. 2443, A bill for an act relating to commerce; establishing a biennial budget for commerce and energy; modifying provisions governing consumer small loans and lending; modifying the Minnesota premium security plan; requiring submission of a state innovation waiver; modifying provisions governing renewable energy, energy conservation, and energy efficiency; regulating retail electric vehicle supply equipment; modifying provisions governing certain cannabis licenses; imposing assessments and fees; appropriating money; authorizing administrative rulemaking; amending Minnesota Statutes 2024, sections 47.60, subdivisions 1, 3, 4, 5, 8, by adding a subdivision; 47.601, subdivisions 1, 5a, 7; 62E.21, by adding a subdivision; 62E.23, subdivisions 1, 2, 3; 62E.24, subdivisions 1, 2; 62E.25, subdivision 1, by adding a subdivision; 80A.58; 80A.65, subdivision 2, by adding a subdivision; 116C.7792; 216C.09; 216C.10; 216C.11; 216C.12; 216C.391, subdivisions 1, 3; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 62E; 239.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
COMMERCE AND OFFICE OF CANNABIS MANAGEMENT FINANCE

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year 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. If an appropriation in this act is enacted more than once in the 2025 legislative session or a special session, the appropriation must be given effect only once.

			<b><u>APPROPRIATIONS</u></b>	
			<b><u>Available for the Year</u></b>	
			<b><u>Ending June 30</u></b>	
			<b><u>2026</u></b>	<b><u>2027</u></b>
Sec. 2. <b><u>DEPARTMENT OF COMMERCE</u></b>				
Subdivision 1. <b><u>Total Appropriation</u></b>			<b><u>\$42,442,000</u></b>	<b><u>\$43,093,000</u></b>
<b><u>Appropriations by Fund</u></b>				
	<b><u>2026</u></b>	<b><u>2027</u></b>		
General	39,534,000	40,185,000		
Workers' Compensation				
Fund	815,000	815,000		
Special Revenue	2,093,000	2,093,000		

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

**Subd. 2. Financial Institutions**3,227,0003,227,000

(a) \$400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides services to assist low-income and financially underserved populations to become more financially stable and secure. Money remaining after the first year is available for the second year.

(b) \$735,000 each year is for additional advisor and broker-dealer examiners.

**Subd. 3. Administrative Services**11,643,00012,321,000

(a) \$401,000 each year is for unclaimed property compliance.

(b) \$353,000 each year is for information technology systems and cybersecurity upgrades for the unclaimed property program.

(c) \$564,000 each year is for modernization initiatives for the unclaimed property program.

(d) \$5,000 each year is for compensating the Real Estate Appraisal Advisory Board under Minnesota Statutes, section 82B.073.

(e) \$23,000 each year is for preliminary licensing applications.

(f) \$249,000 each year is for the senior safe fraud prevention program.

(g) \$500,000 each year is to operate the Prescription Drug Affordability Board established under Minnesota Statutes, section 62J.87.

(h) \$75,000 each year is for copper metal licensing and enforcement under Minnesota Statutes, section 325E.21.

(i) \$12,000 each year is for the intermediate blends of gasoline and biofuels report under Minnesota Statutes, section 239.791, subdivision 8.

(j) \$343,000 each year is for the common interest community ombudsperson established under Minnesota Statutes, section 45.0137.

**Subd. 4. Enforcement**7,751,0007,751,000**Appropriations by Fund**

General	<u>7,536,000</u>	<u>7,536,000</u>
Workers' Compensation	<u>215,000</u>	<u>215,000</u>



(a) \$215,000 each year is from the workers' compensation fund.

(b) \$225,000 each year is to operate the Mental Health Parity and Substance Abuse Accountability Office under Minnesota Statutes, section 62Q.465.

(c) \$197,000 each year is to maintain a student loan advocate position under Minnesota Statutes, section 58B.011.

**Subd. 5. Telecommunications**

3,235,000

3,235,000

Appropriations by Fund

<u>General</u>	<u>1,142,000</u>	<u>1,142,000</u>
<u>Special Revenue</u>	<u>2,093,000</u>	<u>2,093,000</u>

\$2,093,000 each year is from the telecommunications access Minnesota fund under Minnesota Statutes, section 237.52, subdivision 1, in the special revenue fund for the following transfers:

(1) \$1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This transfer is subject to Minnesota Statutes, section 16A.281;

(2) \$290,000 each year is to the chief information officer to coordinate technology accessibility and usability;

(3) \$133,000 each year is to the Legislative Coordinating Commission for captioning legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) \$50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of web-based services.

**Subd. 6. Insurance**

13,689,000

13,483,000

Appropriations by Fund

<u>General</u>	<u>13,089,000</u>	<u>12,883,000</u>
<u>Workers' Compensation</u>	<u>600,000</u>	<u>600,000</u>

(a) \$600,000 each year is from the workers' compensation fund.

(b) \$136,000 each year is to advance standardized health plan options.

(c) \$105,000 each year is to evaluate legislation for new mandated health benefits under Minnesota Statutes, section 62J.26.

(d) \$42,000 each year is to ensure health plan company compliance with Minnesota Statutes, section 62Q.47, paragraph (h).

(e) \$432,000 each year is for pharmacy benefit manager licensing and enforcement under Minnesota, Statutes, chapter 62W.

(f) \$25,000 each year is to evaluate existing statutory health benefit mandates.

**Subd. 7. Weights and Measures Division**

2,897,000

3,076,000

**Sec. 3. LEGISLATIVE COORDINATING COMMISSION**

\$200,000

\$-0-

\$200,000 in fiscal year 2025 is to the Legislative Coordinating Commission to provide administrative support to the task force on homeowners and commercial property insurance under article 2, section 5. Upon request of the task force, the commissioners of the Department of Commerce, Minnesota Housing and Finance Agency, and the Department of Employment and Economic Development must provide technical support and expertise. This is a onetime appropriation and is available until June 30, 2026.

**Sec. 4. OFFICE OF CANNABIS MANAGEMENT**

\$36,454,000

\$39,347,000

(a) \$14,258,000 each year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses incurred by the Office of Cannabis Management. The base is \$7,500,000 each year beginning in fiscal year 2028.

(b) \$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota Statutes, section 342.73, subdivision 4. Of these amounts, up to three percent may be used for administrative expenses incurred by the Office of Cannabis Management.

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

**Sec. 5. OFFICE OF CANNABIS MANAGEMENT**

\$21,614,000

\$17,953,000

The base for this appropriation is \$35,587,000 in fiscal year 2026 and \$38,144,000 in fiscal year 2027.

\$1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28,

the amount appropriated in fiscal year 2025 does not cancel and is available until June 30, 2026. The base for this appropriation is \$15,000,000 in fiscal year 2026 and each fiscal year thereafter.

\$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota Statutes, section 342.73, subdivision 4. Of these amounts, up to three percent may be used for administrative expenses.

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

## ARTICLE 2 COMMERCE POLICY

### Section 1. **[45.0137] COMMON INTEREST COMMUNITY OMBUDSPERSON.**

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

(b) "Association" means an association of apartment owners, as defined in section 515.02, subdivision 5, an association, as defined in section 515A.1-103, clause (3), and association as defined in section 515B.1-103, clause (4).

(c) "Common interest community" has the meaning given in section 515B.1-103, clause (10).

(d) "Governing documents" means a common interest community's declaration, articles of incorporation, bylaws, and any amendments thereto.

(e) "Unit owner" means an apartment owner, as defined in section 515.02, subdivision 3, a unit owner under section 515A.1-103, clause (20), and a unit owner, as defined in section 515B.1-103, clause (37).

Subd. 2. **Establishment.** (a) A common interest community ombudsperson position is established within the Department of Commerce to:

(1) assist unit owners, their tenants, and associations in understanding their rights under chapter 515B and their governing documents; and

(2) facilitate the resolution of disputes between unit owners and associations.

(b) The ombudsperson is appointed by the governor, serves in the unclassified service, and may be removed only for just cause.

Subd. 3. **Qualifications.** The ombudsperson must be selected without regard to political affiliation, must be qualified and experienced to perform the duties of the office, and must be skilled in dispute resolution techniques. The ombudsperson must not be a unit owner, be employed by a business entity that provides management or consulting services to an association, or otherwise be affiliated with an association or management company. A person is prohibited from serving as ombudsperson while holding another public office.

Subd. 4. **Duties.** (a) The ombudsperson must execute the duties under subdivision 2, paragraph (a), by taking the following actions:

(1) creating plain language explanations of common provisions in governing documents; and

(2) identifying and providing resources and referrals related to the rights and responsibilities of unit owners and associations.

(b) Upon the request of a unit owner or an association, the ombudsperson must provide dispute resolution services, including acting as a mediator, in disputes concerning chapter 515B and governing documents, except where:

(1) a complaint based on the same dispute is pending in a judicial or administrative proceeding;

(2) the same disputed issue has been addressed or is currently in arbitration, mediation, or another alternative dispute resolution process; or

(3) the association notifies the ombudsperson that an order under section 609.748 is in effect against the unit owner.

(c) The ombudsperson must compile and analyze complaints received to identify issues and trends.

(d) The ombudsperson must maintain a website containing, at a minimum:

(1) the text of chapter 515B and any other relevant statutes or rules;

(2) a plain language explanation of common provisions of governing documents;

(3) information regarding the services provided by the common interest community ombudsperson, including assistance with dispute resolution;

(4) information and referrals regarding alternative dispute resolution methods and programs, and resources regarding the rights and responsibilities of unit owners and associations; and

(5) any other information that the ombudsperson determines is useful to unit owners, their tenants, associations, and common interest community property management companies.

(e) When requested or as the ombudsperson deems necessary, the ombudsperson must provide reports and recommendations to the legislative committees with jurisdiction over common interest communities.

(f) In the course of assisting to resolve a dispute, the ombudsperson may, at reasonable times and with 24 hours prior notice, enter and view premises within the control of the common interest community.

Subd. 5. **Powers limited.** The ombudsperson and the commissioner are prohibited from rendering a formal legal opinion regarding a dispute between a unit owner and an association. The ombudsperson and commissioner are prohibited from making a formal determination or issuing an order regarding disputes between a unit owner and an association. Nothing in this paragraph limits the ability of the commissioner to execute duties or powers under any other law.

Subd. 6. **Cooperation.** Upon request, unit owners and associations must participate in the dispute resolution process under this section and make good faith efforts to resolve disputes.

Subd. 7. **Landlord and tenant law.** Nothing in this section modifies, supersedes, limits, or expands the rights and duties of landlords and tenants established under chapter 504B or any other law.

Sec. 2. Minnesota Statutes 2024, section 80A.58, is amended to read:

**80A.58 SECTION 403; INVESTMENT ADVISER REGISTRATION REQUIREMENT AND EXEMPTIONS.**

(a) **Registration requirement.** It is unlawful for a person to transact business in this state as an investment adviser or investment adviser representative unless the person is registered under this chapter or is exempt from registration under subsection (b).

(b) **Exemptions from registration.** The following persons are exempt from the registration requirement of subsection (a):

(1) any person whose only clients in this state are:

(A) federal covered investment advisers, investment advisers registered under this chapter, or broker-dealers registered under this chapter;

(B) bona fide preexisting clients whose principal places of residence are not in this state if the investment adviser is registered under the securities act of the state in which the clients maintain principal places of residence; or

(C) any other client exempted by rule adopted or order issued under this chapter;

(2) a person without a place of business in this state if the person has had, during the preceding 12 months, not more than five clients that are resident in this state in addition to those specified under paragraph (1);

(3) A private fund ~~adviser~~ adviser, subject to the additional requirements of subsection (c), if the private fund adviser satisfies each of the following conditions:

(i) neither the private fund adviser nor any of its advisory affiliates are subject to a disqualification as described in Rule 262 of SEC Regulation A, Code of Federal Regulations, title 17, section 230.262;

(ii) the private fund adviser files with the state each report and amendment thereto that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4; ~~or~~ and

(iii) the private fund adviser pays the fees under section 80A.65, subdivision 2b; or

(4) any other person exempted by rule adopted or order issued under this chapter.

(c) **Additional requirements for private fund advisers to certain 3(c)(1) funds.** In order to qualify for the exemption described in subsection (b)(3), a private fund adviser who advises at least one 3(c)(1) fund that is not a venture capital fund shall, in addition to satisfying each of the conditions specified in subsection (b)(3), comply with the following requirements:

(1) The private fund adviser shall advise only those 3(c)(1) funds, other than venture capital funds, whose outstanding securities, other than short-term paper, are beneficially owned entirely by persons who, after deducting the value of the primary residence from the person's net worth, would each meet the definition of a qualified client in SEC Rule 205-3, Code of Federal Regulations, title 17, section 275.205-3, at the time the securities are purchased from the issuer;

(2) At the time of purchase, the private fund adviser shall disclose the following in writing to each beneficial owner of a 3(c)(1) fund that is not a venture capital fund:

- (i) all services, if any, to be provided to individual beneficial owners;
- (ii) all duties, if any, the investment adviser owes to the beneficial owners; and
- (iii) any other material information affecting the rights or responsibilities of the beneficial owners; and

(3) The private fund adviser shall obtain on an annual basis audited financial statements of each 3(c)(1) fund that is not a venture capital fund and shall deliver a copy of such audited financial statements to each beneficial owner of the fund.

(d) **Federal covered investment advisers.** If a private fund adviser is registered with the Securities and Exchange Commission, the adviser shall not be eligible for the private fund adviser exemption under paragraph (b), clause (3), and shall comply with the state notice filing requirements applicable to federal covered investment advisers in section 80A.58.

(e) **Investment adviser representatives.** A person is exempt from the registration requirements of section 80A.58, paragraph (a), if he or she is employed by or associated with an investment adviser that is exempt from registration in this state pursuant to the private fund adviser exemption under paragraph (b), clause (3), and does not otherwise engage in activities that would require registration as an investment adviser representative.

(f) **Electronic filings.** The report filings described in subsection (b)(3)(ii) shall be made electronically through the IARD. A report shall be deemed filed when the report and the fee required by sections 80A.60 and 80A.65 are filed and accepted by the IARD on the state's behalf.

(g) **Transition.** An investment adviser who becomes ineligible for the exemption provided by this section must comply with all applicable laws and rules requiring registration or notice filing within 90 days from the date of the investment adviser's eligibility for this exemption ceases.

(h) **Grandfathering for investment advisers to 3(c)(1) funds with nonqualified clients.** An investment adviser to a 3(c)(1) fund (other than a venture capital fund) that has one or more beneficial owners who are not qualified clients as described in paragraph (c), clause (1), is eligible for the exemption contained in paragraph (b), clause (3), if the following conditions are satisfied:

- (1) the subject fund existed prior to August 1, 2013;
- (2) as of August 1, 2013, the subject fund ceases to accept beneficial owners who are not qualified clients, as described in paragraph (c), clause (1);
- (3) the investment adviser discloses in writing the information described in paragraph (c), clause (2), to all beneficial owners of the fund; and
- (4) as of August 1, 2013, the investment adviser delivers audited financial statements as required by paragraph (c), clause (3).

(i) **Limits on employment or association.** It is unlawful for an investment adviser, directly or indirectly, to employ or associate with an individual to engage in an activity related to investment advice in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with an investment adviser, federal covered investment adviser, or broker-dealer by an order under this chapter, the

Securities and Exchange Commission, or a self-regulatory organization, unless the investment adviser did not know, and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from the investment adviser and for good cause, the administrator, by order, may waive, in whole or in part, the application of the prohibitions of this subsection to the investment adviser.

Sec. 3. Minnesota Statutes 2024, section 80A.65, subdivision 2, is amended to read:

Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, \$65 in the case of an agent, \$100 in the case of an investment adviser, and \$50 in the case of an investment adviser representative. When an application is denied or withdrawn, the filing fee shall be retained. A registered agent who has terminated employment with one broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer fee of ~~\$25~~ \$65. A registered investment adviser representative who has terminated employment with one investment adviser must, before beginning employment with another investment adviser, pay a \$50 transfer fee.

Sec. 4. Minnesota Statutes 2024, section 80A.65, is amended by adding a subdivision to read:

Subd. 2b. **Private fund adviser filings.** A private fund adviser must pay a \$100 filing fee when filing an initial or renewal notice required under section 80A.58.

Sec. 5. **TASK FORCE ON HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE.**

Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide recommendations relating to insurance affordability with respect to single-family housing, multifamily rental housing, common interest communities, cooperatives, and small businesses, and preventing disruptions or loss to the development, preservation, and long-term sustainability of Minnesota's housing infrastructure and small businesses.

Subd. 2. **Membership.** (a) The task force consists of the following:

(1) one member appointed by the commissioner of commerce;

(2) one member appointed by the speaker of the house;

(3) one member appointed by the speaker emerita of the house;

(4) one member appointed by the senate majority leader;

(5) one member appointed by the senate minority leader;

(6) one member appointed by the Minnesota Consortium of Community Developers;

(7) four members with expertise in property and casualty insurance and reinsurance for single-family and multifamily housing markets, including nonprofit and cooperative housing, appointed by the Insurance Federation of Minnesota;

(8) one member appointed by Big I Minnesota;

(9) one member appointed by the Minnesota Realtors;

(10) one member appointed by the Minnesota Community Development Financial Institutions Coalition;

(11) one member appointed by the Minnesota Homeownership Center;

(12) one member appointed by the Greater Minneapolis Building Owners and Managers Association;

(13) one member appointed by the Minnesota chapter of the Community Associations Institute;

(14) one member appointed by the Minnesota Multi Housing Association;

(15) one member appointed by the Housing Justice Center; and

(16) one member with climate science expertise appointed by the Legislative Coordinating Commission.

(b) The appointing authorities must make the appointments by August 15, 2025.

Subd. 3. **Duties.** (a) The task force must identify recommendations to strengthen and stabilize the homeowners and commercial property insurance industry.

(b) The task force must consult with the commissioners of the Minnesota Housing Finance Agency, the Department of Employment and Economic Development, and other key stakeholders in the homeowners and commercial property insurance and housing industries.

(c) The task force must review:

(1) risk mitigation methodologies;

(2) liability laws impacting insurance costs;

(3) minimum notice for coverage changes, including enforcement and oversight;

(4) public reporting of aggregated data relating to insurance plan costs and coverage;

(5) the reinsurance market for homeowners and commercial property insurance;

(6) the current state-supported insurance program and the potential to expand the program to include a catastrophic reinsurance fund and a self-insured pool;

(7) factors that increase claim costs, including but not limited to post-loss contractors, fraudulent claims, climate, inflation, and discontinued building materials; and

(8) other areas that would strengthen and stabilize the homeowners and commercial property insurance industry.

Subd. 4. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first meeting of the task force convenes no later than September 15, 2025, and must provide accessible physical or virtual meeting space as necessary for the task force to conduct work.

(b) At the first meeting, the task force must elect a chair or cochair from the members appointed by the house of representatives and senate by a majority vote of the members present and may elect a vice-chair as necessary.

(c) The task force must establish a schedule for meetings and must meet as necessary to accomplish the duties under subdivision 3.

(d) The task force is subject to Minnesota Statutes, chapter 13D.



Subd. 5. **Report required.** (a) The task force must submit a report to the commissioners of the Department of Commerce, Minnesota Housing Finance Agency, and the Department of Employment and Economic Development, and the chairs and ranking minority members of the legislative committees having jurisdiction over the agencies listed in this paragraph by February 15, 2026.

(b) The report must:

(1) summarize the activities of the task force;

(2) provide findings and recommendations adopted by the task force;

(3) list recommended administrative changes to the relevant agencies;

(4) include draft legislation to implement nonadministrative recommendations; and

(5) include other information the task force believes is necessary to report.

Subd. 6. **Expiration.** The task force expires upon submission of the report required under subdivision 5.

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

Delete the title and insert:

"A bill for an act relating to commerce; appropriating money for Department of Commerce, Office of Cannabis Management, and Legislative Coordinating Commission duties and activities; creating a common interest community ombudsperson; modifying certain private fund adviser registration fees; creating a task force on homeowners and commercial property insurance; requiring a report; amending Minnesota Statutes 2024, sections 80A.58; 80A.65, subdivision 2, by adding a subdivision; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapter 45."

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

The report was adopted.

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

H. F. No. 2445, A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
HOUSING BUDGET APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year 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.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2026</u></b>	<b><u>2027</u></b>

Sec. 2. **HOUSING FINANCE AGENCY**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$158,698,000</u></b>	<b><u>\$83,248,000</u></b>
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(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, 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.

<b><u>Subd. 2. Challenge Program</u></b>	<b><u>22,925,000</u></b>	<b><u>12,925,000</u></b>
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(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, \$1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) The base for this program in fiscal year 2028 and beyond is \$12,925,000.

<b><u>Subd. 3. Workforce Housing Development</u></b>	<b><u>12,000,000</u></b>	<b><u>2,000,000</u></b>
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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.

Subd. 4. <b><u>Manufactured Home Park Infrastructure Grants</u></b>	<u>3,000,000</u>	<u>1,000,000</u>
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(a) This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.

(b) The base for this program in fiscal year 2028 and beyond is \$1,000,000.

Subd. 5. <b><u>Workforce Homeownership Program</u></b>	<u>3,250,000</u>	<u>250,000</u>
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(a) This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

(b) The base for this program in fiscal year 2028 and beyond is \$250,000.

Subd. 6. <b><u>Rent Assistance Program</u></b>	<u>23,000,000</u>	<u>23,000,000</u>
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This appropriation is for the rent assistance program under Minnesota Statutes, section 462A.2095.

Subd. 7. <b><u>Housing Trust Fund</u></b>	<u>11,646,000</u>	<u>11,646,000</u>
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This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

Subd. 8. <b><u>Homework Starts with Home</u></b>	<u>2,750,000</u>	<u>2,750,000</u>
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This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless families, those at risk of homelessness, or highly mobile families.

Subd. 9. <b><u>Rental Assistance for Mentally Ill</u></b>	<u>5,338,000</u>	<u>5,338,000</u>
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(a) This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

(b) Notwithstanding any law to the contrary, this appropriation may be used for risk mitigation funds, landlord incentives, or other costs necessary to decrease the risk of homelessness, as determined by the agency.

**Subd. 10. Family Homeless Prevention**

40,419,000

10,719,000

(a) This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204.

(b) Notwithstanding any law to the contrary, this appropriation may be used for program costs necessary to decrease the risk of homelessness and improve the effectiveness of the program, as determined by the agency.

(c) When a new grantee works with a current or former grantee in a given geographic area, a new grantee may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local continuum of care and is not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

(d) The base for this program in fiscal year 2028 and beyond is \$10,719,000.

**Subd. 11. Home Ownership Assistance Fund**

885,000

885,000

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

**Subd. 12. Affordable Rental Investment Fund**

4,218,000

4,218,000

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

**Subd. 13. Owner-Occupied Housing Rehabilitation**

2,772,000

2,772,000

(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

**Subd. 14. Rental Housing Rehabilitation**

3,743,000

3,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

**Subd. 15. Homeownership Education, Counseling, and Training**

857,000

857,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

**Subd. 16. Capacity Building Grants**

645,000

645,000

This appropriation is for capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

**Subd. 17. Build Wealth MN**

500,000

500,000

This appropriation is for a grant to Build Wealth Minnesota to provide a family stabilization plan program including program outreach, financial literacy education, and budget and debt counseling.

Subd. 18. <b><u>Greater Minnesota Housing Infrastructure Grants</u></b>	<u>20,000,000</u>	<u>-0-</u>
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This appropriation is for the greater Minnesota housing infrastructure grant program under Minnesota Statutes, section 462A.395. This is a onetime appropriation.

Subd. 19. <b><u>Statewide Tenant Education and Hotline Service</u></b>	<u>500,000</u>	<u>-0-</u>
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This appropriation is for a statewide tenant education and hotline service that provides free and confidential legal advice for all Minnesota renters. This is a onetime appropriation.

Subd. 20. <b><u>Accessible Housing Task Force</u></b>	<u>150,000</u>	<u>-0-</u>
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This appropriation is for administration of the Accessible Housing Task Force established in this act. This is a onetime appropriation.

Subd. 21. <b><u>Policies to Stabilize Affordable Housing</u></b>	<u>100,000</u>	<u>-0-</u>
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This appropriation is for administration of article 3, sections 1, 2, and 6. This is a onetime appropriation.

Subd. 22. **Availability**

Money appropriated in the first year in this article is available the second year.

### Sec. 3. **TRANSFER; HOUSING SUPPORT ACCOUNT.**

The commissioner of management and budget must transfer any unencumbered balance from the housing support account, under Minnesota Statutes, section 462A.43, to the general fund by June 15, 2025.

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

### Sec. 4. **REPEALER.**

(a) Minnesota Statutes 2024, section 16A.287, is repealed.

(b) Minnesota Statutes 2024, section 462A.43, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective June 30, 2025.

## ARTICLE 2 BONDING AUTHORITY AND DEBT SERVICE APPROPRIATIONS

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

Subd. 2k. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2j 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 2024, 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) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

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

### ARTICLE 3 HOUSING POLICY

Section 1. Minnesota Statutes 2024, section 462A.07, subdivision 19, is amended to read:

Subd. 19. **Report to the legislature.** (a) By February 15 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy containing the following information:

- (1) the total number of applications for funding;
- (2) the amount of funding requested;
- (3) the amounts of funding awarded; and
- (4) the number of housing units that are affected by funding awards, including the number of:
  - (i) newly constructed owner-occupied units;
  - (ii) renovated owner-occupied units;
  - (iii) newly constructed rental units; and
  - (iv) renovated rental units.

(b) This reporting requirement applies to appropriations for competitive development programs made in Laws 2023 and in subsequent laws.



(c) By January 5 each year, the commissioner must report on the financial stability of the affordable housing industry. The report must include:

(1) the ratio of operating expenses to revenue in affordable rental housing projects; and

(2) the percent of rents collected on time, divided into four regions of the state:

(i) the cities of St. Paul and Minneapolis;

(ii) the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, except for the cities of St. Paul and Minneapolis;

(iii) urban greater Minnesota, including the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; and

(iv) rural greater Minnesota, which includes all of Minnesota, except for the places listed in items (i), (ii), and (iii).

Sec. 2. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to read:

Subd. 21. **Affordable housing annual meeting.** At least once each year, the commissioner must convene a meeting with the Interagency Council to End Homelessness and the cities and counties with high levels of cost-burdened households, meaning those where gross rent or homeownership costs are 30 percent or more of household income. The purpose of the meeting is to discuss:

(1) resources received by cities and counties;

(2) regional needs for affordable housing; and

(3) recommendations for the collaborative use of funds to effectively address homelessness, housing insecurity, security of affordable housing, and the lack of housing supply.

Sec. 3. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to read:

Subd. 22. **Prioritization of competitive development program awards.** (a) When assessing applications for funding from competitive development programs, the commissioner shall prioritize applications for projects located in jurisdictions that have policies conducive to developing residential properties. For assessing applications for funding for any competitive development program, the commissioner shall develop a scoring system which awards additional points to any jurisdiction that meets any of the following criteria:

(1) the jurisdiction allows for the development of multifamily housing in at least 75 percent of the area within the jurisdiction zoned as the commercial district;

(2) the jurisdiction allows for duplexes, accessory dwelling units, or townhomes within 75 percent of the area within the jurisdiction zoned for single-family and applies the same administrative approval process to those properties that would apply to a single-family dwelling being developed on the same lot;

(3) the jurisdiction does not have parking mandates greater than one stall per unit of housing for single family or multifamily developments;

(4) the jurisdiction does not mandate lot sizes larger than one-eighth of an acre; and

(5) the jurisdiction does not place aesthetic mandates on new home construction in single-family, including type of exterior finish materials, including siding; the presence of shutters, columns, gables, decks, balconies, or porches; or minimum garage square footage, size, width, or depth.

(b) In determining whether a jurisdiction has complied with any of the criteria in paragraph (a), the commissioner may rely on representations on the website of a municipality as to their compliance with any of those criteria.

Sec. 4. Laws 2023, chapter 37, article 1, section 2, subdivision 20, is amended to read:

**Subd. 20. Community-Based First-Generation Homebuyers  
Down Payment Assistance**

100,000,000

-0-

This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC) to act as the administrator of the community-based first-generation homebuyers down payment assistance program. The funds shall be available to MMCDC for a three-year period commencing with issuance of the funds to MMCDC. At the expiration of that period, any unused funds shall be remitted to the agency. ~~Any funds recaptured by MMCDC after the expiration of that period shall be remitted to the agency.~~ Funds remitted to the agency under this paragraph are appropriated to the agency for administration of the first-generation homebuyers down payment assistance fund.

Sec. 5. Laws 2023, chapter 37, article 2, section 9, is amended to read:

**Sec. 9. COMMUNITY-BASED FIRST-GENERATION HOMEBUYERS ASSISTANCE PROGRAM.**

Subdivision 1. **Establishment.** A community-based first-generation homebuyers down payment assistance program is established as a ~~pilot project~~ program under the administration of the Midwest Minnesota Community Development Corporation (MMCDC), a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994, to provide targeted assistance to eligible ~~households~~ homebuyers.

Subd. 2. **Eligible household homebuyer.** For purposes of this section, ~~"eligible household"~~ "eligible homebuyer" means ~~a household~~ an adult person:

(1) whose income is at or below 100 percent of the ~~area~~ statewide median income at the time of ~~purchase~~ application; ~~and~~

~~(2) that includes at least one adult member;~~

~~(i)~~ (2) who is preapproved for a first mortgage loan; and

~~(ii)~~ (3)(i) who either never owned a home or who owned a home but lost it due to foreclosure; and

~~(iii)~~ (ii) whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

~~At least one adult household member meeting the criteria under clause (2)~~ The eligible homebuyer must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as their primary residence.

Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the purchase price of a one or two unit home, not to exceed \$32,000. Beginning in fiscal year 2027, the maximum amount of assistance may be increased to up to ten percent of the median home sales price as reported in the previous year's Minnesota Realtors Annual Report on the Minnesota Housing Market. Funds are reserved at the issuance of preapproval. Reservation of funds is not contingent on having an executed purchase agreement. The assistance must be provided in the form of a no-interest loan that is forgiven over five years, forgivable at a rate of 20 percent per year on the day after the anniversary date of the note, with the final 20 percent forgiven on the down payment assistance loan maturity date. There is no monthly pro rata or partial year credit. The loan has no monthly payment and does not accrue interest. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. MMCDC may retain recaptured funds for assisting eligible homebuyers as provided in this section. Funds may be used for closing costs, down payment, or principal reduction. The eligible household may select any first mortgage lender or broker of their choice, provided that the funds are used in conjunction with a conforming first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction with other programs the eligible household may qualify for and the loan placed in any priority position.

Subd. 4. **Administration.** The community-based first-generation homebuyers down payment assistance program is available statewide and shall be administered by MMCDC, the designated central CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible ~~households~~ homebuyers. Administrative costs must not exceed ~~\$3,200 per loan~~ ten percent of the fiscal year appropriation.

Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator, MMCDC, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

- (1) the number and amount of loans closed;
- (2) the median loan amount;
- (3) the number and amount of loans issued by race or ethnic categories;
- (4) the median home purchase price;
- (5) the interest rates and types of mortgages;
- (6) the credit scores of both applicants and households served;
- (7) the total amount returned to the fund; and
- (8) the number and amount of loans issued by county.

Sec. 6. **POLICY FRAMEWORK FOR TARGETED STABILIZATION OF REGULATED AFFORDABLE HOUSING.**

(a) The commissioner of housing finance must work with affordable housing stakeholders, including the Interagency Stabilization Group, to develop a policy framework for targeted stabilization of affordable rental housing. In developing this framework, the commissioner must identify:

(1) strategies, tools, and funding mechanisms for targeted stabilization of affordable rental housing and recapitalization of distressed properties;

(2) potential improvements for regulatory relief for affordable rental housing providers and implement these improvements where feasible;

(3) a specific plan for relief when an operator of permanent housing cannot identify and secure adequate service funding that matches the tenants' needs; and

(4) a strategy with the commissioner of human services to integrate the awarding of state service dollars to permanent supportive housing so that state service dollars can accompany capital awards in the consolidated request for proposal process.

(b) The commissioner must report quarterly to the Minnesota Housing Finance Agency Board of Directors on the policy framework, improvements implemented, and any potential changes to legislation that may be needed to support targeted stabilization of regulated affordable housing and recapitalization of distressed properties.

(c) By January 5, 2026, the commissioner must report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy on the policy framework, improvements implemented, and any potential changes to legislation that may be needed to support targeted stabilization of regulated affordable housing and recapitalization of distressed properties.

Sec. 7. **ACCESSIBLE HOUSING TASK FORCE.**

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

(b) "Accessible housing" means housing that is designed, constructed, or modified to enable persons with disabilities to live independently. Accessible housing may be made accessible through design or additional features, such as modified bathrooms, cabinetry, appliances, furniture, space, shelves, or cupboards that improve the overall ability of persons with disabilities to function in the housing.

(c) "Person with a disability" has the meaning given in Minnesota Statutes, section 256.481.

Subd. 2. Establishment of task force. An Accessible Housing Task Force is established to:

(1) examine the housing experiences of persons with disabilities, including their experiences seeking accessible housing or independent housing;

(2) examine the practices of housing providers related to accessible housing and independent housing and the issues preventing housing providers from providing accessible housing or independent housing units to persons with disabilities; and

(3) recommend legislation to increase the supply of safe and affordable, accessible housing and independent housing units.

Subd. 3. **Membership.** (a) The task force consists of the following members appointed by the governor:

(1) five persons with disabilities who have experienced a lack of accessible housing;

(2) two parents of adult persons who have experienced a lack of affordable housing;

(3) one representative of the Minnesota Council on Disability;

(4) one representative of Arc Minnesota;

(5) one representative of the Minnesota Consortium for Citizens with Disabilities;

(6) one representative of the Minnesota Housing Finance Agency;

(7) one representative of the Minnesota Department of Human Services;

(8) one representative of the Minnesota Department of Health;

(9) one staff person working for a housing stabilization services program;

(10) one representative of a housing contractor who has built accessible housing;

(11) one representative of a housing developer who has developed property that includes accessible housing;

(12) one representative of an organization or a local government agency that helps find housing for people with disabilities;

(13) one member of the Minnesota Board on Aging; and

(14) two representatives of organizations or groups who advocate for persons with disabilities.

(b) Appointments must be made no later than July 1, 2025, and must include representatives of both the metropolitan area and greater Minnesota.

(c) Task force members must serve without compensation, except for public members. Members eligible for compensation must receive expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.

(d) Vacancies must be filled by the governor consistent with the qualifications of the vacating member required by this subdivision.

Subd. 4. **Meetings; officers.** (a) The Minnesota Housing Finance Agency shall convene the first meeting of the task force no later than August 15, 2025, and shall provide accessible physical or virtual meeting space as necessary for the task force to conduct its work.

(b) At its first meeting, the task force shall elect a chair and vice-chair from among the task force members and may elect other officers as necessary.

(c) The task force shall meet according to a schedule determined by the members or upon the call of the task force's chair. The task force must meet as often as necessary to accomplish the duties under subdivision 5.

(d) Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 5. **Duties.** (a) The task force must seek input from:

(1) individuals who are experiencing or who have experienced the lack of affordable, accessible housing;

(2) providers of accessible housing; and

(3) any other persons or organizations with experience or expertise in affordable, accessible housing.

(b) The task force must:

(1) research and analyze how other states, cities, and counties address a lack of affordable, accessible housing; and

(2) develop recommendations to establish statewide education on affordable, accessible housing to ensure that local units of government include affordable, accessible housing and affordable housing policies in local planning.

Subd. 6. **Report.** (a) No later than February 1, 2026, the task force shall submit an initial report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over housing on the findings and recommendations of the task force for improving the supply, quality, and affordability of accessible housing statewide.

(b) No later than August 31, 2026, the task force shall submit a final report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over housing on the findings and recommendations in paragraph (a).

Subd. 7. **Expiration.** The task force expires the day following submission of the final report under subdivision 6.

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

Delete the title and insert:

"A bill for an act relating to housing; establishing a budget for the Minnesota Housing Finance Agency; authorizing the issuance of housing infrastructure bonds; establishing an Accessible Housing Task Force; modifying the community-based first-generation homebuyers down payment assistance program; providing for the creation of a policy framework for targeted stabilization of regulated affordable housing; repealing housing support account in special revenue fund; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 462A.07, subdivision 19, by adding subdivisions; 462A.37, subdivision 5, by adding a subdivision; Laws 2023, chapter 37, article 1, section 2, subdivision 20; article 2, section 9; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43."

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

The report was adopted.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Reyer introduced:

H. F. No. 3188, A bill for an act relating to commerce; modifying exemptions for garnishment and bankruptcy; amending Minnesota Statutes 2024, sections 550.37, by adding a subdivision; 571.73, subdivision 4; 571.78; 571.911; 571.913.

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

Koegel, Murphy, Hortman, Joy and Duran introduced:

H. F. No. 3189, A bill for an act relating to transportation; imposing a kilowatt per hour tax for electric vehicle charging; proposing coding for new law in Minnesota Statutes, chapter 296A; repealing Minnesota Statutes 2024, section 168.013, subdivision 1m.

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

Greenman, Gomez, Howard, Freiberg, Stephenson, Hollins and Lillie introduced:

H. F. No. 3190, A bill for an act relating to taxation; imposing a gross receipts tax on various services; 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.

Agbaje introduced:

H. F. No. 3191, A bill for an act relating to economic development; appropriating money for a grant to Al Maa'uun.

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

Kozlowski, Gomez, Keeler and Mahamoud introduced:

H. F. No. 3192, A bill for an act relating to taxation; property; establishing a property tax exemption for certain property owned by an Indian Tribe; amending Minnesota Statutes 2024, section 272.02, by adding a subdivision.

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

Coulter, Gomez, Norris and Pinto introduced:

H. F. No. 3193, A bill for an act relating to property taxation; tax increment financing; allowing an authority to stop payments after finding that a developer, contractor, or subcontractor has violated state or municipal labor law; proposing coding for new law in Minnesota Statutes, chapter 469.

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

Agbaje and Momanyi-Hiltsley introduced:

H. F. No. 3194, A bill for an act relating to agriculture; appropriating money to the commissioner of agriculture for a grant to the Women's Environmental Institute for a farming incubator project.

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

Bierman; Anderson, P. E.; Baker; Allen; Curran; Rehrauer; Momanyi-Hiltsley; Clardy and Pursell introduced:

H. F. No. 3195, A bill for an act relating to health occupations; modifying limitations on optometrists prescribing and administering drugs; amending Minnesota Statutes 2024, section 148.56, subdivision 1.

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

Hussein and Momanyi-Hiltsley introduced:

H. F. No. 3196, A bill for an act relating to children, youth, and families; establishing an African Youth Soccer League; requiring reports; appropriating money.

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

Momanyi-Hiltsley and Pérez-Vega introduced:

H. F. No. 3197, A bill for an act relating to arts and cultural heritage; appropriating money for Legacy Coordination Network Education Fund.

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

Momanyi-Hiltsley; Frazier; Stier; Bierman; Cha; Hussein; Lillie; Mahamoud; Johnson, W., and Clardy introduced:

H. F. No. 3198, A bill for an act relating to public safety; requiring a report; appropriating money for Northwest Metro Regional Real Time Crime Center.

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



Sencer-Mura introduced:

H. F. No. 3199, A bill for an act relating to transportation; appropriating money for certain transportation management organizations in the cities of Minneapolis and St. Paul.

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

Rehm introduced:

H. F. No. 3200, A bill for an act relating to capital investment; appropriating money for the Chanhassen Bluffs Sports Complex; authorizing the sale and issuance of state bonds.

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

Rehm introduced:

H. F. No. 3201, A bill for an act relating to corrections; providing for county grants for jail diversion programs; appropriating money; amending Minnesota Statutes 2024, section 641.155, subdivisions 2, 3, by adding a subdivision.

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

Lee, K., introduced:

H. F. No. 3202, A bill for an act relating to capital investment; appropriating money for renovation of the Hayden Heights Library in the city of St. Paul; authorizing the sale and issuance of state bonds.

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

Momanyi-Hiltsley introduced:

H. F. No. 3203, A bill for an act relating to capital investment; appropriating money for Sipe Park and other capital improvements in Osseo; authorizing the sale and issuance of state bonds.

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

Olson introduced:

H. F. No. 3204, A bill for an act relating to transportation; modifying requirements of photographs on drivers' licenses and identification cards for certain individuals with medical devices; amending Minnesota Statutes 2024, section 171.071, subdivision 2.

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

McDonald; Nash; Engen; Dotseth; Skraba; Anderson, P. H.; Murphy; Heintzeman; Torkelson; Davids; Cha; Joy and Hudson introduced:

H. F. No. 3205, A bill for an act relating to arts and cultural heritage; appropriating money for statue of Christopher Columbus.

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

Anderson, P. H., and Franson introduced:

H. F. No. 3206, A bill for an act relating to capital investment; appropriating money for the reconstruction of 210th Avenue in Pope 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.

Stier introduced:

H. F. No. 3207, A bill for an act relating to capital investment; appropriating money for a renovation of the city hall building in the city of Le Sueur; authorizing the sale and issuance of state bonds.

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

Engen introduced:

H. F. No. 3208, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4; article V, sections 2, 4; placing limits on the terms of office of legislators and executive officers.

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

Engen, Stier, Duran and Hudson introduced:

H. F. No. 3209, A bill for an act relating to public safety; increasing criminal penalties for swatting; amending Minnesota Statutes 2024, sections 244.05, subdivision 4; 609.78, subdivisions 2a, 2c.

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

Wiener introduced:

H. F. No. 3210, A bill for an act relating to capital investment; appropriating money to renovate the Eagle Bend High School; authorizing the sale and issuance of state bonds.

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

Gander introduced:

H. F. No. 3211, A bill for an act relating to capital investment; appropriating money for water tower improvements 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.

Knudsen, Duran, Bliss, Burkel and Gander introduced:

H. F. No. 3212, A bill for an act relating to capital investment; appropriating money for a nine-county regional waste management system in northwest Minnesota; authorizing the sale and issuance of state bonds.

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

Knudsen introduced:

H. F. No. 3213, A bill for an act relating to capital investment; amending an appropriation for the Heartland State Trail in Becker County; amending Laws 2023, chapter 72, article 1, section 7, subdivision 18.

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

Bennett introduced:

H. F. No. 3214, A bill for an act relating to transportation; providing fee exemptions for motor vehicles bearing Purple Heart medal special plates; amending Minnesota Statutes 2024, sections 168.12, subdivision 2a; 168.123, subdivision 2; 168.1293, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Igo introduced:

H. F. No. 3215, A bill for an act relating to taxation; increasing annual expenditure limit to provide free musical entertainment for the general public; amending Minnesota Statutes 2024, section 449.08.

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

Olson introduced:

H. F. No. 3216, A bill for an act relating to veterans; restricting certain practices by service providers; amending Minnesota Statutes 2024, section 197.6091, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Veterans and Military Affairs Division.

Kresha and Skraba introduced:

H. F. No. 3217, A bill for an act relating to economic development; appropriating money for payments to bioindustrial facilities.

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

Bakeberg introduced:

H. F. No. 3218, A bill for an act relating to education; modifying e-learning day requirements; modifying terms and conditions of employment for school employees; amending Minnesota Statutes 2024, sections 120A.414, subdivision 2; 179A.03, subdivision 19.

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

Mekeland, Knudsen, Hudson, Dotseth, Murphy, Altendorf, Allen and Schultz introduced:

H. F. No. 3219, A bill for an act relating to public safety; designating mRNA injections and products as weapons of mass destruction; prohibiting mRNA injections and products; proposing coding for new law in Minnesota Statutes, chapter 609.

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

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

RECESS

IN MEMORIAM

The House of Representatives recessed to honor the memory of former Representative Mary Murphy of Hermantown, Minnesota who served from 1977 to 2022, who passed away on Wednesday, December 25, 2024.

RECONVENED

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

### CALENDAR FOR THE DAY

H. F. No. 1090, A bill for an act relating to capital investment; renaming the library construction grant program; amending Minnesota Statutes 2024, section 134.45.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce 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. 1058, A bill for an act relating to local government; modifying composition of North Koochiching sanitary sewer board; amending Laws 1981, chapter 291, sections 1, subdivision 14; 2, as amended; 4, subdivision 1, as amended; 23; repealing Laws 1981, chapter 291, section 1, subdivision 3.

THOMAS S. BOTTERN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Skraba moved that the House concur in the Senate amendments to H. F. No. 1058 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1058, A bill for an act relating to local government; modifying composition of North Koochiching sanitary sewer board; amending Laws 1981, chapter 291, sections 1, subdivision 14; 2, as amended; 4, subdivision 1, as amended; 23; repealing Laws 1981, chapter 291, section 1, subdivision 3.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

ANNOUNCEMENT BY THE SPEAKER  
Pursuant to Rule 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House Files:

H. F. Nos. 1355 and 124.

**MOTIONS AND RESOLUTIONS**

Myers moved that the name of Duran be added as an author on H. F. No. 57. The motion prevailed.

Davids moved that the names of Repinski and Dotseth be added as authors on H. F. No. 200. The motion prevailed.

Dotseth moved that the name of Warwas be added as an author on H. F. No. 433. The motion prevailed.

Zelevnikar moved that the name of McDonald be added as an author on H. F. No. 500. The motion prevailed.

Myers moved that the name of Perryman be added as an author on H. F. No. 640. The motion prevailed.

Baker moved that the name of Myers be added as an author on H. F. No. 859. The motion prevailed.

Lee, F., moved that the name of Zelevnikar be added as an author on H. F. No. 1090. The motion prevailed.

Novotny moved that the name of Duran be added as an author on H. F. No. 1263. The motion prevailed.

Bahner moved that the name of Rehm be added as an author on H. F. No. 1268. The motion prevailed.

Repinski moved that the name of Warwas be added as an author on H. F. No. 1339. The motion prevailed.

Curran moved that the name of Reyer be added as an author on H. F. No. 1373. The motion prevailed.

McDonald moved that the name of Rehm be added as an author on H. F. No. 1426. The motion prevailed.

Clardy moved that the name of Vang be added as an author on H. F. No. 1517. The motion prevailed.

Clardy moved that the name of Vang be added as an author on H. F. No. 1518. The motion prevailed.

Koegel moved that the name of Myers be added as an author on H. F. No. 1521. The motion prevailed.

Reyer moved that the name of Moller be added as an author on H. F. No. 1644. The motion prevailed.

Anderson, P. H., moved that the name of Schultz be added as an author on H. F. No. 2051. The motion prevailed.

Falconer moved that the name of Jones be added as an author on H. F. No. 2134. The motion prevailed.

Rehrauer moved that the name of Norris be added as an author on H. F. No. 2152. The motion prevailed.

Myers moved that the names of Murphy, Perryman and Duran be added as authors on H. F. No. 2201. The motion prevailed.

Mekeland moved that the name of Schultz be added as an author on H. F. No. 2230. The motion prevailed.

O'Driscoll moved that the name of Warwas be added as an author on H. F. No. 2237. The motion prevailed.

Clardy moved that the name of Greene be added as an author on H. F. No. 2288. The motion prevailed.

Nadeau moved that the name of Anderson, P. H., be added as an author on H. F. No. 2318. The motion prevailed.

Nadeau moved that the names of Anderson, P. H., and Perryman be added as authors on H. F. No. 2329. The motion prevailed.

Reyer moved that the name of Dippel be added as an author on H. F. No. 2334. The motion prevailed.

West moved that the name of Rehm be added as an author on H. F. No. 2339. The motion prevailed.

Clardy moved that the name of Gottfried be added as an author on H. F. No. 2341. The motion prevailed.

Hicks moved that the name of Kraft be added as an author on H. F. No. 2380. The motion prevailed.

Norris moved that the name of Kraft be added as an author on H. F. No. 2462. The motion prevailed.

Jordan moved that the name of Kraft be added as an author on H. F. No. 2469. The motion prevailed.

Howard moved that the name of Kraft be added as an author on H. F. No. 2480. The motion prevailed.

Virnig moved that the name of Kraft be added as an author on H. F. No. 2489. The motion prevailed.

Momanyi-Hiltsley moved that the name of Kraft be added as an author on H. F. No. 2509. The motion prevailed.

Witte moved that the name of Hansen, R., be added as an author on H. F. No. 2554. The motion prevailed.

Anderson, P. H., moved that the name of Mekeland be added as an author on H. F. No. 2613. The motion prevailed.

Norris moved that the name of Pérez-Vega be added as an author on H. F. No. 2627. The motion prevailed.

Backer moved that the name of Warwas be added as an author on H. F. No. 2662. The motion prevailed.

Schwartz moved that the name of Frederick be added as an author on H. F. No. 2665. The motion prevailed.

Greenman moved that the name of Kraft be added as an author on H. F. No. 2688. The motion prevailed.

Bahner moved that the name of Jones be added as an author on H. F. No. 2694. The motion prevailed.

Stephenson moved that the name of Kraft be added as an author on H. F. No. 2702. The motion prevailed.



Hansen, R., moved that the name of Kraft be added as an author on H. F. No. 2761. The motion prevailed.

Momanyi-Hiltsley moved that the name of Myers be added as an author on H. F. No. 2764. The motion prevailed.

Hansen, R., moved that the name of Kraft be added as an author on H. F. No. 2770. The motion prevailed.

Wolgammott moved that the name of Jones be added as an author on H. F. No. 2840. The motion prevailed.

Lee, K., moved that the name of Rehm be added as an author on H. F. No. 2905. The motion prevailed.

Finke moved that the name of Reyer be added as an author on H. F. No. 2915. The motion prevailed.

Pursell moved that the name of Dotseth be added as an author on H. F. No. 2921. The motion prevailed.

Wolgammott moved that the name of Perryman be added as an author on H. F. No. 2926. The motion prevailed.

Nadeau moved that the name of Hanson, J., be added as an author on H. F. No. 2945. The motion prevailed.

Kotyza-Witthuhn moved that the name of Myers be added as an author on H. F. No. 2994. The motion prevailed.

Noor moved that the name of Hanson, J., be added as an author on H. F. No. 3085. The motion prevailed.

Gomez moved that the names of Tabke and Feist be added as authors on H. F. No. 3117. The motion prevailed.

Franson moved that the name of Momanyi-Hiltsley be shown as chief author on H. F. No. 3136. The motion prevailed.

Hollins moved that the name of Greene be added as an author on H. F. No. 3148. The motion prevailed.

Olson moved that the names of Virnig and Rehrauer be added as authors on H. F. No. 3169. The motion prevailed.

Scott moved that the names of Dotseth and Witte be added as authors on H. F. No. 3170. The motion prevailed.

Jones moved that the name of Rehrauer be added as an author on H. F. No. 3179. The motion prevailed.

Liebling moved that the names of Virnig, Freiberg and Rehrauer be added as authors on H. F. No. 3180. The motion prevailed.

Pérez-Vega moved that the name of Hanson, J., be added as an author on H. F. No. 3181. The motion prevailed.

Jordan moved that the names of Coulter, Falconer and Rehrauer be added as authors on H. F. No. 3184. The motion prevailed.

## ADJOURNMENT

Niska moved that when the House adjourns today it adjourn until 11:00 a.m., Tuesday, April 22, 2025. The motion prevailed.

Niska moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Tuesday, April 22, 2025.

PATRICK DUFFY MURPHY, Chief Clerk, House of Representatives